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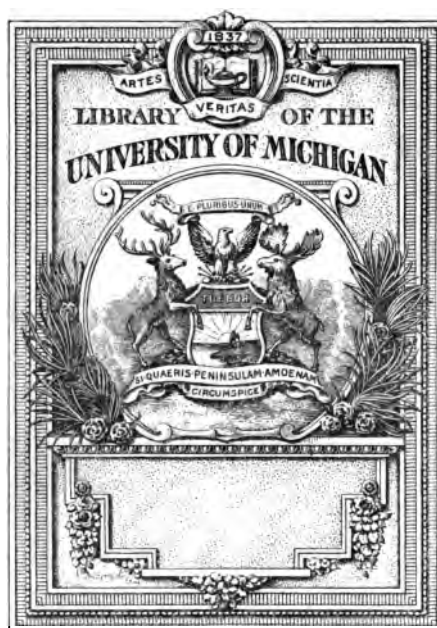
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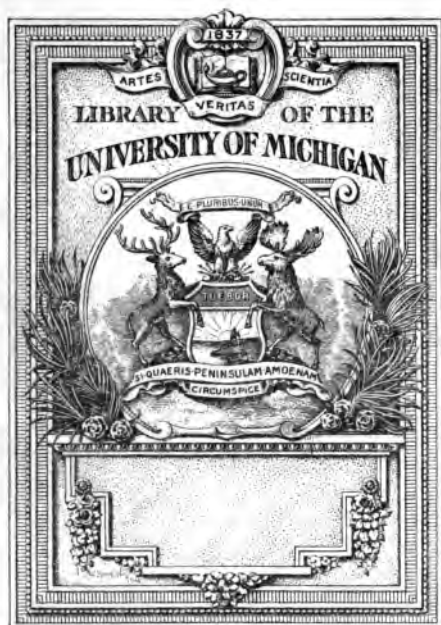


DOUGLAS STORY

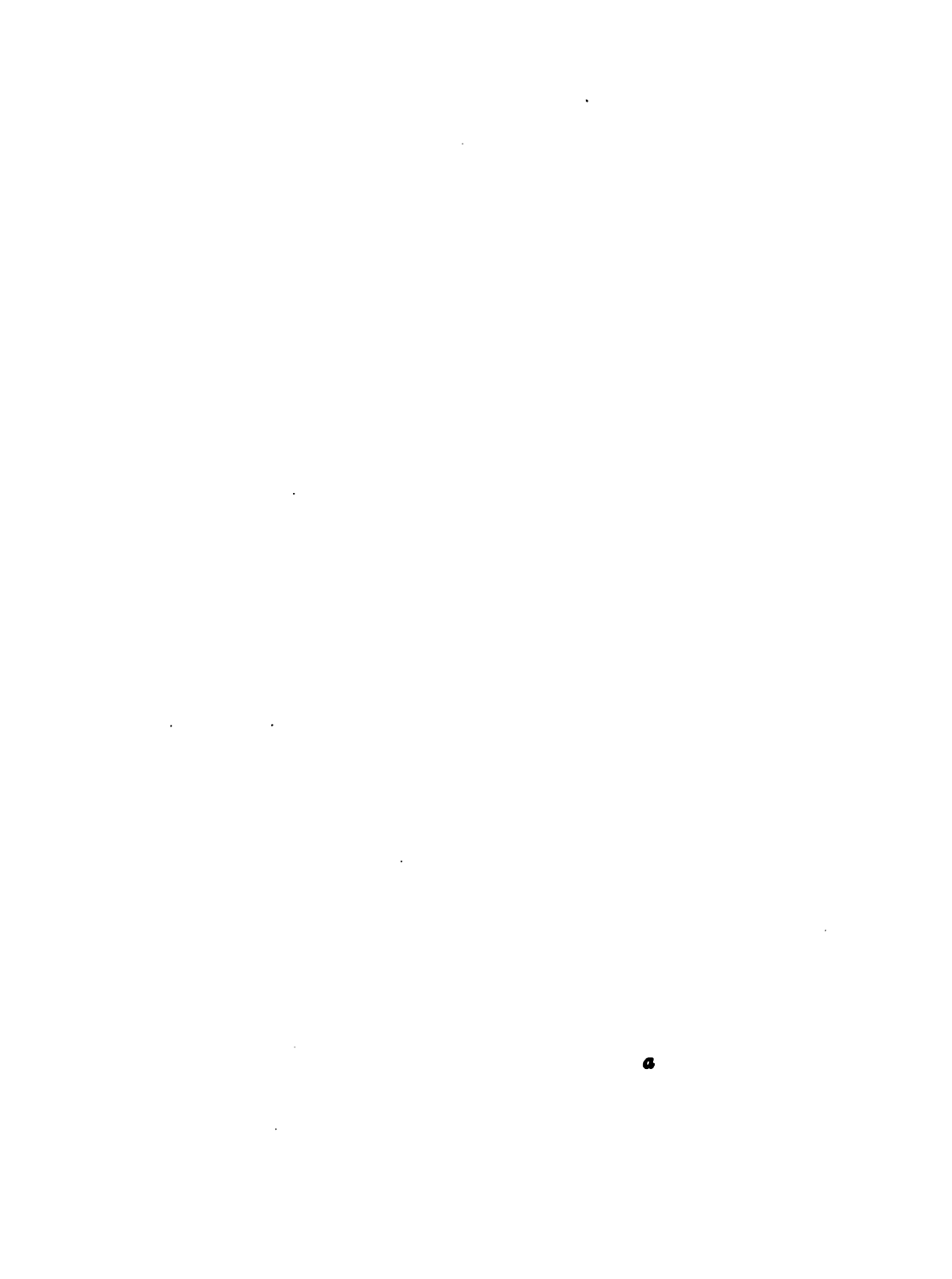




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TO-MORROW IN THE EAST

TO-MORROW IN THE EAST

BY

DOUGLAS STORY

AUTHOR OF

"THE CAMPAIGN WITH KUROPATKIN"

LONDON

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1907

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To
FRANKLIN THOMASSON, ESQ., M.P.
THIS BOOK IS DEDICATED

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P R E F A C E

THIS book makes no pretence to be a treatise on the trend of events in the Orient, yet is it something more than the impressions of a globe-trotter. It represents the result of ten years' observation as war-correspondent and special correspondent in the countries of the East, as editor of a daily newspaper in Hong Kong, and as a resident in Peking.

The effect upon the Author is a doubt of the wisdom of alliance with an Oriental Power, an anticipation of racial animosities consequent upon the growth of a national spirit in the hitherto moribund nations of the East, and a belief that the commerce of Great Britain will suffer in competition with rivals she herself has fostered.

The thanks of the Author are due to the proprietors of the *Tribune* newspaper for permission to republish the articles contributed to their columns, and to countless friends in the Orient for constant help and counsel.

DOUGLAS STORY.

LONDON,
February, 1907.

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TO-MORROW IN THE EAST

CHAPTER I

THE NEW EGYPT

To my memory of Egypt comes the picture of a brown, wistful face gazing through the bars of a railway truck over the red tarbooshes of the officials, over the wearied green of the cactus-hedge, out to the dead, dun desert of Tel-el-Kebir beyond. Thither, where Arabi Pasha met his day of reckoning in 1882, Osman Digna had been dragged, chained and manacled, in January, 1900. The last of the Dervish leaders, the most wily of Arab tacticians, the most indefatigable of nineteenth-century slave-dealers sat impotent under a Soudanese guard in an open-sided railway wagon. I was present at the vindication of God's justice. The mills had ground slowly, but they had ground exceeding small.

As I regarded him, he turned his quick eyes for

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a moment upon me. In that country of the filmy eyed—where every second man bears the unsightly marks of ophthalmia—Osman Digna's eyes were startling in their keenness and their brilliancy. They sought one's face in no idle curiosity, but in the hope to find something of advantage, some one capable of ministering to his needs. Bound, and covered by a dozen rifles, he yet ranged the crowd for some suggestion, some inspiration of escape. In that rapid glance and its immediate withdrawal to more profitable quarters, one might read the whole character of the man—his quick intelligence, his prompt decision, his instinctive penetration into the thoughts of men. It was the survey of a man of infinite resource, of unbounded self-reliance.

For twenty years—ever since the Anglo-Egyptian Slave Conference had interfered with his slave-dealing business in Suakin—British soldiers had followed him back and forth across the desert, had tracked him by the broad trail of desolated villages, of vast valleys filled with the dry bones of slaughtered fellaheen, of the mounds above the graves of their comrades in arms. That day their mission had been accomplished, effected by a handful of the Egyptian

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soldiery he had despised. An English bimbashi and I, solitary representatives of the white race he had outraged, witnessed his abasement ; and in my soul was a profound satisfaction, the peace that righteous war alone can give.

As I gazed upon the fallen Dervish it was no longer difficult to understand how the man who had saved his skin so frequently at the expense of others had retained throughout the confidence of the Khalifa —of that man who had met his death but a few weeks before so manfully, but so resourcelessly, upon his sheepskin. Osman Digna, with his keen politician's face, unwrinkled at sixty-five, could cajole any mere fanatic as he willed.

There was something strangely dramatic in the natural antithesis of these two men—the one grown soldier through devotion to a man and a sentiment ; the other become warrior in hope to revive his trade of slave-dealer, holding his leader's fanaticism in scorn, caring naught for anything save his personal aggrandizement. Osman Digna cared nothing for Mahdism, but much for the excitement and the profit of the slave-market. The nature of his religious convictions was well demonstrated that

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steel-clear day on the railway-siding at Tel-el-Kebir. It was nearing the end of the great Mahometan fast of Ram-a-Dan, when, for the space of a moon, one's meanest kitchen-boy refuses to take bite or sup, to smoke or to chew a cube of sugar-cane while there remains enough of daylight to distinguish a black thread from a white. While such is the law, adhered to by the most easy-going Mussulman, Osman Digna—Emir of the Mahdi, leader in a holy war, captain-general of a horde of religious fanatics—sat taking his meals in comfort and with satisfaction. Captivity had its compensations, and food was one of these.

Grandson of a Turkish slave-dealer, born of the Hadendowa tribe, Osman bore no trace of his Turkish origin. Brown and shining as a horse-chestnut, his head was well-domed and cleanly chiselled. The lips were thin and tightly drawn over the sharp, badger teeth, the eyes were restless as a panther's, and the short, ragged beard, from which he took his name of Digna, carried little away from the sharpness of the outline. Lithe and sinewy, he bore no trace, save in his grizzled beard, of the fact that he was born so long ago as 1836, that he

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had engaged British troops in battle at Baker's Teb, El Teb, Tamai, Tofrek, Hashin, Handub, Gemaiza, and in all the later fights of the Dervishes. There was in his face none of the brutality of Mahmud, none of the weariness of the Khalifa, only the keen wakefulness of the commercial Arab. He and the Khalifa had made a characteristic end of it, each after his own manner—the Khalifa, face to the foe, passive upon his sheepskin ; Osman, lured from his lair in the Warribas by the sight of a slaughtered sheep laid in the open by a treacherous friend, fleeing too late with his tattered gibbeh flapping among the rocks. The Khalifa died. Osman returned captive in a railway truck. The son of the sword had fallen by the sword. The master of treachery had been taken by treachery. God's balance hangs divinely true.

So ended a phase in the history of Egypt.

Ten years ago Egypt was a country of the dead. Its interests lay in the graves of another age. Its landmarks were obelisks and pyramids, the monuments of a buried past. Its most renowned inhabitants were mummies. Its most valued visitors were archæologists, excavators of tombs, translators of hieroglyphics, prospectors after prehistoric papyri.

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To-day Egypt is a living land. Its interests lie in its bourses and in its markets, in its crops and in its products. Its landmarks are cities and villages, railways and electric-power stations. Its most celebrated inhabitants are men of affairs, practical citizens of a practical world, devoted to the development of the land. Its most important immigrants are instigators of commerce, engineers, contractors, capitalists, and reclaimers of waste lands.

Ten years ago Egypt imported goods to the value of £8,000,000. To-day it imports goods to the value of £21,000,000. Ten years ago Egypt exported goods to the value of £13,000,000. To-day it exports goods to the value of £22,000,000. Ten years ago Egypt gazed backward with regret to a glorious past. To-day it looks forward with confidence to a prosperous future.

Ten years ago Cairo was a city of the Orient. Its European population screened itself in cool Arab houses, whose faces were turned away from the passers-by. To-day Cairo is a metropolis of many-storeyed office buildings, of bold-visaged houses, of gigantic hotels. The natives, who lay hid in the gloomy interstices of the Mûski, now

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occupy modern flats replete with Western conveniences in the broad garden-lands along the Nile.

The offices are banks and insurance bureaux, lawyers' chambers, and the business homes of commercial agents. The hotels are the caravansaries of the globe-trotters. Everywhere is sign of wealth and prosperity. Egypt is booming, and the evidences of riches are to be seen in the equipages of the townsfolk, in the costumes of the women, in the jewellers' windows of the Ezbekiyeh. The figures of its well-being are to be read in the pages of the almanacs and in the reference-books.

To me the question of importance is the probability of permanency. At my latest visiting, I sought all classes of the populace to learn whether the new-born affluence is a lasting or a temporary phase. To that end I consulted bank-managers, chartered accountants, insurance agents, lawyers, contractors, commission agents, officials, new-comers and old residents, Frenchmen and Englishmen, Arabs and Greeks. The answers were conflicting and confusing. All agreed that British occupation had brought prosperity, but great diversity of

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opinion existed as to the chances of boom or slump in the future. The French were pessimists. The British were optimists. The Egyptians were well-satisfied fatalists.

The general impression one gathered was that town values were inflated, that town property had reached its maximum and would depreciate with time. The reasons adduced were that in Egypt are no great manufacturing centres ; that the people who now live in Cairo might equally well live elsewhere ; that Cairo, to the modern globe-trotter, is merely a halfway house to the pleasure-places on the Nile ; and that the influx of rich natives into the western quarters of the city is a migration with strictly defined limitations, not a protracted movement justifying extensive investment in town lands.

One of those whom I consulted—a Belgian contractor controlling great interests—assured me that the present town values were excessive and must lessen considerably before household property reached its true market price. Existing properties were held at speculative rates, and it was only a matter of time until they came down to a dividend-paying basis.

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Agricultural holdings, on the other hand, obey an entirely different law. The Egyptian fellah cannot be measured by any economic formula. He is possessed of a land hunger that is never satisfied. He buys land at any price his purse can compass, or his present holdings may be mortgaged to yield, if only the new ground lie within easy reach of his family home. Once bought, the land occupies no place on the domestic balance-sheet. The fellah ceases to think of the purchase price, calculates nothing as dividend, merely looks upon whatever surplus is over in excess of the year's working expenses as gained money. As a matter of rule he will only invest in land or in land investment companies. His wealth is calculated in the acreage he tills. He thinks in land, deals in land, invests in land.

Ten years ago the fellah's only means of raising money was by borrowing from the Greek usurers, who maintained an agency in every village. Those Greek bankers loaned money on land and on prospective crops. The interest they charged averaged 150 per cent. They waxed fat and prosperous, the while the fellaheen toiled and suffered in the squalor of their fly-infested mud huts.

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With the British occupation came, five years ago, the Agricultural Bank, which advances money to cultivators, up to the extent of 50 per cent. of the selling value of their holdings, at the relatively low rate of interest of 9 per cent. Although the maximum value of the best land is taken at £80 per acre, it is significant that the highest sum advanced to any one cultivator, out of eighty thousand who obtained money, was £300. The average loan was £27.

Of all Britain's spheres of interest, Egypt is the one which is set forth most comprehensively and most intelligibly in reports. The Earl of Cromer's papers on the finances, administration, and condition of Egypt present all that facts and figures can express upon the state of the country and upon its very material progress under the Anglo-Egyptian Administration. What those reports do not expose, however, is the use the people of the country are making of their improved conditions, and the attitude they adopt towards the foreigner who has brought good fortune to them. I realized that it was not in Cairo, neither from the officials of the Government, that I should learn what I had come to discover.

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The present most evident prosperity of Egypt was visible at Cairo, but the future of Egypt lay in the hands of the teeming millions who entered not within the gates of the city, and who revealed not their opinions to the authorities in the capital. They covered the earth to the number of 395 inhabitants per square mile. I took train for Zag-a-zig.

With me journeyed one companion, a man who had lived years in Upper Egypt, who spoke Arabic and Greek and Turkish, who was sufficiently sympathetic to measure the native by his own standards outside of the formulæ of official mensuration. Our plan was simple in the extreme. We were to travel on donkeys without escort, to go where the roads most easily led us, and, at the down-going of the sun, to rest at whatsoever village the darkness found us. Our object was to avoid the appearance of officialism, to earn the confidence of the fellaheen.

Pattering across the rough roads of suburban Zag-a-zig, we speedily attained to a path beside a canal of unspeakable filthiness. From the ditch the water-carriers drew water. In it the fishermen dragged for long, unwholesome, eel-like fish. To its banks were tethered slow-moving, cud-chewing water

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buffalo. Under an occasional palm tree played naked children. On the village squares old women industriously kneaded cow-dung cakes for fuel, or men manufactured bricks out of mud. To right and to left stretched miles of cotton land, whose most lofty eminence was a swaying camel laden with sugar-cane or a date palm marking a well.

This was the Egypt of the fellaheen, a rich land, the one-time Goshen of the Jews. As evening approached I saw on our path a gentle rising ground, some palms, a domed mausoleum—the signs of a village of some distinction. The donkeys instinctively quickened their pace, and we clattered up the stony knoll capped by the tomb of a patriarch. It was an elevation of but a few feet, still, from its vantage-ground, we looked out over the flat roofs of the houses along the silver streak of the irrigation canal which laid a path to the new-minted sun in the West. We held the view but an instant, and then the turquoise Egyptian day gave place to the sapphire Egyptian night. The moaning cry of the muezzin in the mosque by our side called the faithful to prayer, and all the world was hushed to silence.

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It was a fitting hour to make an entrance into the intimate life of the people, and speedily we were offered food and shelter. For two years no white man had set foot in the village, but the house-fathers were glad of an opportunity to welcome the strangers. Whatever the commune possessed of fruit and coffee and goat's flesh was placed at our disposition, the heads of families called, and the Omdeh sent invitation that we would visit him at his official residence.

My companion, more than I, was astonished at the warmth of the greeting. Bathed and refreshed, we set out under a glorious full moon to pay a round of visits. Everywhere we went we were received with respect, entertained with cigarettes and coffee and cool water-melon. The men of the village were big and broad and stalwart, clad in the white burnous of the country, talking freely and openly upon affairs. As we chatted, neighbours slipped in to the great, bare reception-room, the attendant spread mats, and, squatting on the mud-floor, gravely they joined in the discussion.

They were no yokels, those villagers of Lower Egypt, but keen men of affairs, cognizant of the

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world's movement, shrewdly critical of political events abroad as well as in Cairo. The Omdeh was connected with his colleagues and with Cairo by telephone. Learning that I had seen something of the Russo-Japanese war, they debated the peace terms and their effect upon their co-religionists in Russia. Each morning they received their newspapers in Arabic, and were as well informed of foreign affairs as is the man in the streets of London or Paris. Compared with a village gathering in an English inn, their conversation was intelligent and weighty—a revelation to me in my Cockney egotism.

One of my hosts was an officer who had served under Arabi Pasha at Tel-el-Kebir. He readily admitted that under British guidance Egypt had passed into a better era, that money was more plentiful, and the times more peaceable. This did not avail, however, to reconcile him to the presence of the foreigner in the administrative offices of the Government. It was true, these offices were more honestly and more ably filled. He along with his fellows acknowledged the benefit of a capable head in Lord Cromer, but—and here I stumbled across the insuperable obstacle to the loyalty of the Moslem

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—there was the great matter of religion. I asked the old irreconcilable if the people ever contemplated rising against the foreigner in Egypt. He looked at me grimly for an instant, then said very quietly and very distinctly—

“If the Sultan commanded, we should kill every unbeliever between the rising and the setting of the sun.”

His dictum found the support of all in the assembly.

What I found at my first setting out, I proved as I journeyed from village to village. Careful administration appealed to the intelligence as to the pockets of the people, but their sentiment was unchanged and unchangeable. Given a second Arabi, we should have to fight a second Tel-el-Kebir in Egypt.

As the morning of my last day in the country broke, I lazily hearkened to the soft call of the muezzin : “Haste ye to salvation !”

It is the bugle-note to our future difficulties in Egypt.

CHAPTER II

STATECRAFT IN PERSIA

IN the summer of 1900, Great Britain was more sensitive to attacks upon her prestige than at any other period of our generation. The knowledge that Russia had granted a loan to Persia of 22,500,000 roubles took me to Ostend to learn at first hand the reason for giving St. Petersburg the preference over London. I was an unwelcome intruder upon the pleasures of the Shah and his suite. They were on holiday ; they had obtained a large sum of money, and the last thing they desired was untimely curiosity on the part of the British Press. They fell back upon the Oriental plan of wearying their visitor. For days I attended by request at the hotel in which the Persians were housed, and at night left unsatisfied and unappeased. The Shah was fishing for poddies from the digue.

As time went on, it became evident that patience

Statecraft in Persia

would remain its own reward, and I should be forced to retire discomfited and unenlightened. I was personally known to a high member of the Persian Court then in attendance upon the Shah, and to him I made appeal. I suggested that, whereas it was Great Britain's policy to preserve Persia as a buffer State between Russia and India, it was Russia's policy to obtain a right-of-way through Persia to Baluchistan and the North-West Provinces. In these circumstances, I desired to know why the Shah had given Russia vast trade privileges and practical command of the northern half of the country in return for a loan which might have been raised in England. Would his Majesty satisfy me on that point? The diplomat replied that an interview with the Shah-in-Shah was absolutely impossible. The King of Kings was fishing for poddlies from the digue.

In my exasperation I remarked that all that remained for me to do was to publish an account of my treatment, as a British subject, at the hands of the Persian officials, and to compare with it the reception accorded to French and Belgian journalists, along with a full list of the honours and decorations

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given by the Shah during his European tour. This threat startled the Persian into activity. He said—

“If you do that you will cause my head to be cut off, but it will not bring you any nearer to an interview with the Shah. As a matter of fact, his Majesty knows nothing whatever about the foreign affairs of the country, and does not concern himself with them. His Highness Sadr-Azan is the responsible Minister. He can explain everything. The Shadow of God is fishing for poddies from the digue.”

In the end it was arranged that I should be presented in a purely social capacity to the Shah at a reception, and arrangements would be made to procure me an interview with the Grand Vizier. As we spoke, the courtier suddenly became rigid. The Shah had tired of his angling, and was entering the court of the hotel. A tall man, sallow of complexion, heavy, with a shambling gait, he made his way to a heap of packing-cases that had been brought by a tradesman's porter. He indicated one, and a member of his suite dragged from its wrappings a silver-plated bicycle. The Shah regarded it languidly, asked some questions about a smaller

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box, and grew surprisingly animated at the reply. Frock-coated courtiers hacked at the string and the paper covering, but their motions were too slow for his interested Majesty. The Shah demanded the box, dug deep into the layers of paper-shavings, and out of its bed extricated—a gramophone. The Well of Science no longer fished for poddlies from the digue.

That night at the reception, which was a medley of incongruous elements, I watched his Majesty the Footpath of Heaven as he gazed out of heavy-lidded, sensuous eyes at the fat Flemish fraus and the dainty women from Paris who made their curtsy to him. He was a man endowed with much natural strength, but indulgence and indolence had already forecast the shadow upon his face of what was to befall at the setting of the sun on January 8, 1907.

The following morning I was received by his Highness Sadr-Azan. With respect to the loan the Grand Vizier said it was a deep disappointment to the advisers of his Majesty that the money was not forthcoming from England. The loan had been offered to Lombard Street, but the conditions were impossible, and reluctantly Persia had required to

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go to St. Petersburg, where the proposals were "peaceful and satisfactory."

Turning to me, the Persian Prime Minister said : "We know that your country's policy is more for our good than that of Russia, but you are unfortunate in your agents. Russia chooses as its officials in Central Asia representatives who are smooth and full of tact. Great Britain insists on sending to us men trained in India or who have represented their Sovereign in positions over conquered nations. We are children in those matters, and, however feeble our present position may be in the scale of the Powers, Persia demands to be treated as an ancient and historical nation.

"Some time ago Russia had a Minister who was not popular with our Court, but no sooner was that discovered than he was recalled. We have a Persian proverb which says : 'A man may cut his brother's throat with a piece of rice paper, and the victim will bend his neck in acquiescence ; but if he attack him with a bludgeon, the sufferer will turn and smite.'"

The Grand Vizier said much more of interest as to the situation at the time, but policies have changed

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since 1900, and Great Britain has regained something of the influence which then seemed gone for ever. As I passed out from Sadr-Azan's cabinet, I saw the Centre of the Universe fishing for poddlies from the digue.

In the years that have passed, Persia has cast off something of its aforetime sloth. Agitators have been at work. The spirit of Japan has penetrated to Teheran. The people have demanded a constitution. The old Shah is dead. If the new Shah be to live long he must bow to the wishes of his people. No longer may the Sublime Sovereign, whose Standard is the Sun, fish for poddlies from the digue while his subjects toil in darkness to provide new beauties for his harem. The voice of the populace has pierced to the Peacock Throne, and the dawn of a new day has broken upon the land whose laws were as the unchanging hills in the conception of the ancients of the earth.

CHAPTER III

THE LAND OF THE WHITE ELEPHANT

IN the palace of the King of Siam I saw a great white elephant tethered. Sacred, by virtue of his colour, he was attended night and day by servants, who made obeisance before offering him the sugarcane that was his luncheon. In the stall alongside was a powerful motor-car of the latest Paris pattern.

In the juxtaposition of these two incongruous vehicles is epitomized the present condition of Siam. In the spring of 1896, Britain and France guaranteed to her the independence of the Menam Valley. By the joint agreement Siam was left with the control of her own destinies, and most wonderfully has she risen to the occasion. In 1896 her revenue was slightly in excess of £1,000,000. In 1906 her revenue was over £3,000,000. In 1896 her expenditure was £750,000. In 1906 her expenditure

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was £3,000,000. In the ten years that have intervened her budget has trebled.

Nowhere in the world have East and West met in stranger circumstances than on the oozy marshlands of Lower Siam. One voyages to Bangkok from the sea as through a botanical garden. Feathery palm trees and gently swaying bamboos shade cotton mills and engineering works, noisy shipbuilding yards and the silent wats of Buddhist monks. Chinese junks, like great brown moths, float imperceptibly through lush green paddy fields, while fussy motor-boats push rudely among the ruins of deserted temples. Naked children fall off the platforms of moored house-boats to wriggle ashore like tadpoles, and the cruisers and gunboats of the King's navy ride grandly amid a flotilla of *rua chongs* and native gondolas. One turns from the main street, with its tram-cars and its electric lights, into the jungle.

I stood in the grounds of the palace glorying in the scene—the sentries at the gates and the servants of the household in uniform, the officials in emerald green and amethyst purple pacing the clean-swept paths beneath quaintly clipped shade-

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trees, the acicular spires of the Royal temples, the orange roofs of treasuries showing above walls of blazing white—and I entered into the joy of the Orient.

The hoot of a motor-horn startled me, and from under the porte cochere glided an automobile. In it was an officer in the uniform of a general—Chulalongkorn, King of Siam of the North and South, Sovereign of the Laos and the Malays, the fifth Sovereign of the Chakrakri Dynasty—with an assortment of sons varying in age from four to twenty years. Later, I learned that the King's sons numbered five score, and his wives rivalled the embarrassments of Solomon. Those wives are the gifts of ambitious nobles, who present the most beautiful of their daughters to the monarch as palatable aids to advancement. It interested me to learn that, once accepted by his Majesty, those ladies, each with two handmaids in attendance, are immured in a section of the palace from which they never emerge, and into which no man save the King ever enters. Even the police of the seraglio are women. In Siam the proprieties are not left to conjecture.

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Yet this Sultan of the East, the absolute master of the people covering a land larger than the Iberian Peninsula, is a statesman and a reformer, a keen man of business and a patriot. He speaks, reads, and writes English as an Englishman, works harder than the meanest coolie in his kingdom, and personally superintends every department of his Government. Fifty-three years of age, he looks younger, and his energy is a standing reproach to one of the laziest peoples of the earth. He holds the affection of his subjects, and the respect of his foreign advisers by his enthusiasm in reform, his probity in dealing, his wisdom in council. The prosperity of Siam is the measure of Chulalongkorn's fitness to rule.

Recently, while in Russia, I was told, by the official deputed to represent the Tsar at the reception of the visitors, how the King of Siam and a brother of King Edward VII. happened to pass through Warsaw on the same day. The British Prince was asked if he would permit his saloon to be attached to the train carrying Chulalongkorn. The Prince started in astonishment, "What?" he demanded, "travel with that savage! No, thank

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you!" Yet, had he viewed the results the King has achieved in ten years in Siam, his Royal Highness would realize how little Chulalongkorn deserves the scorn of the West.

The King has been blessed with a succession of earnest, upright European advisers to aid in the task of government. Alive to the danger of undue national preponderance in his council, the King has chosen his advisers from many lands. The general adviser is an American. The directors of finance and education, of the customs, mining, and survey departments are British. The judicial advisers are an Englishman and a Frenchman. The managers of State railways, of the posts and telegraphs, are Germans. The public works are engineered by Italians, and the sanitary department is administered by Frenchmen. The officers of the navy and the gendarmerie are Danes. All of these act under the Siamese Minister of the Department appointed by the King, and their cosmopolitan direction saves Siam from the jealousies that have ruined more potent Powers.

It speaks well for the honesty of the advisers that the richest men in the kingdom are the Siamese,

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the wealthiest aliens the Chinese, and that only one European, a German, is credited with being even a potential tical-millionaire—the possessor of a fortune of some £60,000. The King is the richest man in Siam, and his private moneys are invested in the development of his realm.

In the ten years that have passed since the waking of Siam, the country has made wonderful advance in trade. Ten years ago Siam exported goods to the value of £3,400,000. To-day she exports goods to the value of £6,000,000. Ten years ago Siam imported goods to the value of £2,400,000. To-day she imports goods to the value of £4,500,000. In 1902 Siam's exports exceeded her imports in value by 30 per cent.

Like the Egyptian fellaheen, the inhabitants of Lower Siam are a nation of agriculturists. For months of the year their farm lands are deep under water, and the peasants hie them to Bangkok to spend their incomes in gambling. With the coming of the dry season they return to their high-perched houses on the river banks and labour mightily in the paddy fields. The national crop is rice, and, in 1902, the value of the grain exported amounted

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to £4,000,000—more than double the worth of the crop ten years ago. Twenty years ago the amount of rice exported was 217,000 tons. To-day it is over 800,000 tons.

From the highlands of Upper Siam comes teak, which is exported to the annual value of £400,000. Ten years ago there was no means of conserving the forests of Siam ; but, in 1896, an officer of the Imperial Forest Service was lent by the Government of India, and under his supervision a Forestry Department has been organized, and has taken over the protection of the forests. Under the auspices of this Department Siamese students are trained at the Indian Forest School at Dehra Dun, and, five years ago, the region in which felling was permitted was reduced to one-half of the old area. Siam knows her fortune in timber, and is striving hard to preserve it for the good of coming generations.

Every year a hundred thousand logs of teak float down the waterways of Siam to the duty station at Paknam. They are felled in the far up-country forests, dragged to the streams by elephants, and rafted slowly down the great rivers to the timber-

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yards in Bangkok. Expert boatbuilders and unrivalled watermen, the Siamese build boats whose graceful lines cannot be equalled in the West. The only roads in Siam are canals and natural waterways. Henley in all its glory cannot rival any one of these on a day of fête. On an ordinary working day more boats pass any given spot of one of the great arteries than are to be seen on the Rhine at Wesel or on the Thames at Boulter's Lock. Four years ago a census was taken at a point on the Pase Charoen Canal. In seven days 9851 boats passed the enumerator—yet the greatest average number in all Europe is 200 boats per day. The Siamese is born on the verge of the water, he swims before he can walk, and the little bald-headed babies gambol in the rivers as Western children creep on grassy lawns.

To estimate the future of Siam is almost impossible. To measure the achievement of the present is sufficiently difficult. The Siamese are, traditionally, an educated people. Every boy can read and write. In the schools of the capital 10,000 scholars are engaged in a four-years' course of instruction, from which they pass into secondary schools in

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which instruction is given in English, higher mathematics, practical geometry, the knowledge of Pali terms, and the correct writing of official letters. After three years of this instruction they are deemed fit for Government service, and the majority enter the Ministry of the Interior, under Siam's most efficient administrator, Prince Damrong.

More ambitious scholars pass from the secondary schools to one or other of the three English schools, whence the most successful are drafted to universities in Europe. The King gives each year two scholarships worth £300 apiece per annum, tenable for four years, and effective in any educational centre of Europe in which the winner may elect to study. On his return to Siam, the successful scholar must give his services to his Government.

Fifteen years ago Siam began the construction of her first railway. To-day the State owns 456 kilometres of main line, and is rapidly pushing on her railway development. For her guidance she has laid down three rules of railway policy :—

1. The State will own all main lines.
2. The construction of State railways will be paid out of revenue.

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3. Concessions will be given by the State only to small side-lines.

Four years ago those State lines earned a profit of 10·33 per cent. on the total capital expenditure.

Ten years ago Siam derived great part of its revenue from the farming of its gambling-houses. To-day the licensed houses have been almost entirely suppressed by Royal decree promulgated in February, 1905. On the fan-tan floor the Chinese concessionaire winnows the crops of the peasants, and the Government is fully aware of the economic objections to the practice. Ten years ago the currency of Siam was a bullet-shaped ingot of silver which owed its popularity to the ease with which the croupiers could rake in the stakes of the gamblers from the fan-tan floors. In November, 1902, a minted currency was substituted, and yet the coins in my silver change invariably were bent upon themselves, so that the task of the money-takers was little more onerous than before. The Government, however, was tightening its grasp upon the players, and their doom is sealed.

Coming home from China I travelled for four weeks with the late Financial Adviser to the Minister

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of Finance. In the ten years of his trusteeship he had seen the annual expenditure of the Ministry of the Interior upon the development of the country increase from £12,000 to £625,000. He had seen the introduction of a Government paper currency and its acceptance by the people to the extent of £30,000 a month. He had seen the prohibition of the free coinage of silver, and the institution of a tical coin exchanged for gold at the rate of 20 ticals to the £1 sterling. In the four years since the change he had seen the selling rate of the tical rise to its present price of 17 ticals to the £1 sterling. He had laid the basis for the conversion of the existing silver standard to a gold standard, and had seen Siam disconnect herself from the trickery in exchange which is the curse of Eastern banking. He had triumphantly floated in London and Paris Siam's first loan of £1,000,000 sterling, and had seen her credit firmly established in the bourses of the world. He had seen the foundations laid of the future National Bank of Siam.

As the achievement of ten years of labour his record may give pause to many who deny the possibility of a future in the Orient.

CHAPTER IV

SIAMESE ASPIRATIONS

OF all the peoples of the East, the Siamese are the most human. Warm-hearted and laughter-loving, they look right out at one through wide-open, artless eyes that lack the baleful gleam of the Chinese, or the mysterious antipathy in the inscrutable depths of those of the people of Japan. Sanguine and sympathetic, they suffer from the fruits of their virtues. Living in a land that returns a year's subsistence for six weeks' work, they are without the quality of application that characterizes the Chinese. Traditionally tolerant in religion, hospitable and generous in disposition, they do not possess the selfish egotism in the individual or the patriotism in the nation that makes the Japanese. They are happy, inhabiting a land that tills and manures itself, travelling from place to place upon the broad waters of the rivers which, half the time, relieve them even

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of the need of effort in propulsion. They are the blissful products of their blissful surroundings.

The Siamese of Lower Siam differ as much from the Laos of Upper Siam as do the Italians of the south from the Italians of the north. The Laos dwell in the hilly country that marches with Tonkin and Burmah on the north, and with Annam and Cambodia on the west. They live for the great part a nomad life, wandering over great tracts of country, settling for a season to make a clearing in the forest where a crop of rice is raised upon the ashes of burned trees, and continually shifting camp in accordance with the exigencies of their appetite. Their exports to Burmah sufficiently illustrate their life—sticklac, horns, hides, beeswax.

It is with the people of Lower Siam that I and the future of the country are concerned. To study them aright I gladly accepted the invitation of a leading Siamese, the brother of a Minister, to journey with him in his launch up the Me Nam Chao Pya into the interior.

It was late afternoon when we started down one of the thousand klongs of Bangkok. On either side were the graceful houses of wood thatched with

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attap, each standing high above the water, approached from the canal—the only roadway—by crazy ladders of a dozen steps. On the platforms the women were busy with the evening meal, making curry, cooking rice, rolling river fish in batter. The men sat incessantly smoking cigarettes rolled in dried banana leaves. The little girls in flaming panungs of crimson and green and blue, the little boys, like finely chiselled statues in bronze, devoid of drapery, paused in their play to watch us.

Out into the river we swung from the side-stream, and at once began to feel the current. Slowly, laboriously, the launch panted its way upward past the great Wat Chang with its guardian demons and its votive spires, past the gunboats straining at their cables in mid-stream, to the landing-stage outside the Royal palace. The sun was setting now, and from the stern I watched the fine-pointed spires of the temples and the manifolded roofs of the mansions of the nobility picked out in jet against a sky brocaded with green and gold upon a field of rose. There was no moon. The last faint blush died out in the West. The stars, incalculably distant, accentuated the blackness.

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For miles we had laboured past lines of floating houses and stores mounted on pontoons, whose regularity was broken only by the entrances to side-canal. From their open doors and windows light gushed out in warm splashes of carmine into the inky shadows. From a flaring attap-shed the sound of a lakhon, the crashing of cymbals, and beating of drums came softened across the waters till it harmonized with the dull throb of the propeller.

We had passed the last house-boat of Bangkok. The blackness of the jungle was about us. From hidden sloughs came the booming of bull-frogs. Through the light of our lantern darted wide-winged bats, about our heads fluttered moths with the colour of maple leaves in autumn upon their wings, from the canvas curtains of the awning hurrying beetles rebounded as tennis balls from a racket. The darkness was spangled with fire-flies. In the warm luxury of the Eastern night I stretched myself contentedly to sleep.

I woke to an opal dawn. On the bank an uneven frieze of black marked the line of the jungle. The iridescent break of the day toned into a jade morning which speedily warmed into the lapis lazuli of the

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Siamese day. From the marshlands that stretched level to the horizon rose a smoke-coloured mist, and through a bosky grove of mangoes and pomeloo trees glowed the red-tiled roof of a village wat. On the platforms of the houses appeared sleepy-eyed children, who popped off into the swollen river like water-voles. On the raised bank of the river showed a line of vivid saffron—a procession of monks setting forth to beg from the pious the day's rations of rice and fish. Out in the swamps herds of water-buffalo, throat deep in mud, contentedly mouthed the rich verdure. On the back of one an urchin, precariously poised, displayed a scarlet umbrella—a brilliant poppy in a field of green.

An old man hailed us from a house-boat: "Nai! Nai Korap!"—but it was nothing. He merely wished to know whither we were going, and his curiosity was easily satisfied. And so we travelled through many miles of rich country, meeting the country-folk, watching them at work and at play, endeavouring to measure their characteristics.

The Siamese need little to provide them with their daily bread. The coolie lives excellently on five ticals—5s. 10d.—a month. His extravagances

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are clothes and gambling and entertainments. Of these a strip of gaudy cotton stuff, wrapped about his loins for working days and a silken panung for holidays, suffice as wardrobe. His entertainment is a theatrical performance on occasions of ceremony—his marriage or the cutting of the top-knot when his daughter attains womanhood. His gambling is limited only by his ability to journey to the nearest gambling-house.

The Siamese meet the Europeans with a quiet dignity that is as devoid of humility as it is of the impudence which makes the Chinese and Japanese of the coast-ports obnoxious to the people of the West. My companion on the trip into the interior was a Siamese who spoke English as correctly as I did, who was learned in the intricacies of mechanical devices, whose hobby was natural history, and whose leisure was devoted to sport. His instincts were those of a European, not an Oriental, yet had he never been out of Siam in his life.

To him, as to all Siamese, the fear of the future was France. The Anglo-French *entente* was young in those days, and he discussed its bearing on Siam with an intelligence that would have done credit to a

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British publicist. He realized that French colonial policy and French national policy were two very different things. He knew, as we all knew, that the enthusiasm which makes Paris blossom into bunting at the reception of a London Lord Mayor does not reach to Saigon and French Indo-China. He knew that France still coveted the provinces to the eastward of the Menam Valley, and he feared that increased friendship between Downing Street and the Quai d'Orsay might spell ruin to independent Siam.

On the other hand, he was eager to aid in the development of his land, to quicken her into undertaking her own defence. During the year 1906 conscription was extended in Siam to six of the twenty provinces of the kingdom. He was eager to see this principle spread, to have Siam provided with a standing army capable of resisting attack upon her borders. He admitted that Siam was not a military country as was Japan, but neither was she a soldier-despising country as was China. He believed she had in her population the material for an army, and he desired to see it properly organized and equipped. I am not in possession of facts either to refute or to confirm his opinion.

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On the east of the Menam Valley Siam is secretly constructing fortifications at Korat and at Pitsanuloke. Those are designed to hold the country against attack from the French possessions in Tonkin and Annam. Their importance is doubtful, and Siamese opinion is divided as to the advisability of making any preparations to oppose an assault which would almost certainly prove disastrous to the Land of the White Elephant.

The Russo-Japanese war has given Siam, as well as France, matter for thought. France is more eager to preserve her eastern coast-line from Japanese attack than to push her territory westward into Siam. Siam, on the other hand, is alive to the danger of aggression from the newly born Asiatic Power. Japan is not trusted in Siam, and the Japanese are tireless in their endeavours to increase their influence there.

Japan has established a line of steamers connecting Bangkok with Hong Kong and Kobe, running in opposition to the German lines which once controlled the carrying trade to and from Siam. How far that enterprise will gain the support of the Siamese is matter of conjecture.

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The future in Siam depends on the Chinese rather than upon the Japanese or any European nation. Already 10 per cent. of the total population are Chinese. They are the labourers and the artificers, the retail dealers and the gardeners, the bankers and the holders of the opium and gambling monopolies.

To the stranger Bangkok seems for long but a city of the Chinese. On the steamers the crews, the stewards, and the stevedores are Chinese. On the wharves the labourers are Chinese. In the streets the ricksha-pullers and the gharry-drivers are Chinese. In the rice mills and in the sawmills the work-people are Chinese. In the mercantile offices the clerks are Chinese. In the houses and the hotels the servants and the waiters are Chinese. In the shipyards the designers and the boat-builders are Chinese. In the pineapple nurseries the gardeners are Chinese. Chinese invariably marry Siamese women, and the offspring of the union is an intelligent and virile progeny.

Europeans may hold land in Siam only within certain strictly defined limitations, but the Chinese have equal right with the Siamese to own land

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without restriction. The Siamese must give military service to the State or pay a capitation tax. The Chinese render no military service, and are not called upon for a capitation tax. Their only burden is a small triennial tax.

There are Chinese in Siam who are multi-millionaires, but, with the genius of their race, their capital is always out at interest. It is not to be found in the banks. The wealth of the Chinese in Siam amounts to millions of pounds sterling. The manager of the opium farm quoted his estimate to me as £4,000,000, but I have good reason to believe it is very much more. The personal income of the united European community in Siam is estimated at only £300,000 per annum, and its combined assets would not realize more than £6,000,000.

The Siamese are essentially a governing people, delighting in administration and in Government employment, loathing hard labour, and despising the constant application of the Chinese. The Chinese have little ambition to govern lands beyond the confines of their own Empire. They are content to control the commerce and the wealth.

To me, it seems that the future in Siam will be

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the imperceptible absorption of the country by the Chinese—though never by China—the insidious permeation of the Siamese stock with Chinese blood, and the gradual repopulation of the country with a Chino-Siamese race that will combine the virtues of both peoples.

On March 24, 1907, the conclusion of a treaty between France and Siam was announced. In virtue of this agreement France obtains the annexation to Cambodia of Battamboṅg, Siem Rap and Sisophon. In addition she secures the right, in common with Great Britain, for her citizens to acquire land by purchase and to possess it throughout Siam. In return France gives back to Siam the provinces of Krat, Bottheṇe and Daṅsai, consents to the cession of the four points on the right bank of the Mekoṅg being transformed into a perpetual lease, and accepts a modification of the jurisdiction over her protected subjects in Siam.

This treaty is regarded as satisfactorily removing the chief causes of friction between Siam and the great European Power which most seriously has menaced her independence.

CHAPTER V

THE CHANGED HONG KONG

TWENTY years ago Rudyard Kipling sailed from sea to sea. In his voyaging he happened upon Hong Kong. To him Hong Kong was a place of a handful of British merchant princes and toiling thousands of Chinese. It fascinated him with its wealth and its enterprise, its handsome buildings and its well-laid streets.

He looked out of his window and said, "Beyond the launches lie more steamers than the eye can count, and four out of five of those belong to Us. I was proud when I saw the shipping at Singapur, but I swell with patriotism as I watch the fleets of Hong Kong from the balcony of the Victoria Hotel."

To-day he would find fewer merchant princes less conspicuously prominent amid a colony of twenty thousand Europeans. He would find the toiling thousands of Chinese swelled into tens of thousands.

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He would find the houses on the Peak more numerous and more pretentious, but the proprietors no longer confined to British Taipans. The new-comers are Germans and Armenian Jews, Parsees and Chinese. He would look across a denser crowd of steamers in the harbour—for Hong Kong has moved up to the premier position in the world as a shipping port, with a tonnage of 19,204,889 against 18,639,159 recorded by the Port of London—but he would see the red ensign of Britain no longer flying from the stern of four out of every five vessels there. To-day only one out of every two belongs to Us. He would see a new city sprung up at Kowloon, a city of warehouses and factories, of engineering works and ship-building yards. His patriotism would find food for thought.

If Rudyard Kipling were to stroll with me along the Hong Kong Praya he would be struck with the great liners of Germany and the United States, of France and Japan, riding in the harbour. He would count the tramp steamers under the flag of Norway and the busy coasters displaying the rising-sun of Japan. He would remark, as I remarked one day last year, two great Nord-Deutscher Lloyd liners

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lying alongside the wharves at Kowloon; a third N. D. L. Australian liner occupying the only remaining berth; a monster Hamburg-Amerika passenger steamer swinging at her buoy, and a score of coasting vessels flying the red, white, and black flag of the Kaiser's mercantile marine. The four liners represented 25,000 tons of German shipping. With difficulty he would discover in the forest of vessels the P. and O. packet *Arcadia*, 3412 tons, the solitary representative of Britain's passenger-carrying service. The "B. and S." house-flag, which so delighted Kipling in 1887, to-day competes for its life with the pennant of the Japanese "N. Y. K." He would notice the frequency of German names upon the brass plates before the doors of the great mercantile houses. He would stand with me before the palatial German club and marvel to hear no word of English spoken by its members. He would accompany me to the banks and learn there that the richest men of Hong Kong are not Britons or Americans or Germans, but Chinese and Parsees and Armenian Jews.

Together we should admire the granite aqueducts, the stone-built Praya, the Admiralty works, and the

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acres of British-owned docks and shipbuilding yards. We should appreciate the Episcopalian and the Catholic cathedrals, the half-built Law Courts and the new Post Office ; but lament the existence of the opium-farm and the horrors of the opium-dens. We should approve the magnificent military hospital on Bowen Road, but regret the absence of a proper sanitary system. We should applaud the eighty-one Government schools with the facilities they give to five thousand pupils, and the many private scholastic establishments that provide for five thousand more ; but we should condemn the awful congestion of the disease-breeding Chinese quarters. We should commend the enterprise which has provided the streets with electric light and an excellent tramway service ; but we should make searching inquiry as to the reason why a concession to connect Kowloon with Canton and the markets of the interior by railway, owned by British capitalists for twenty years, only last year was begun to be exercised.

We should climb the hill to Government House, and inscribe our names in the visitors' book out of respect for the present Governor, Sir Matthew Nathan ; but we should ask ourselves why, in the twentieth

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century, a community of twenty thousand intelligent British colonists is subject to the autocratic rule of an official in whose election it has no more say than the convicts in the appointment of the governor of a prison.

The Governor of Hong Kong is absolute ruler in his territory, subject to the approval of the Secretary of State for the Colonies. The people of Hong Kong have not the smallest control of their revenues or of the administration of their public Boards. The Governor is advised by an Executive Council, consisting of the Officer Commanding the Troops, the Colonial Secretary, the Attorney-General, the Colonial Treasurer, the Director of Public Works, the Principal Civil Medical Officer, and two unofficial members nominated by his Excellency. In addition is a Legislative Council, consisting of seven official members, four unofficial members appointed by the Governor, and two unofficial members elected by the community. The findings of those two councils have no power to affect the actions of the Governor, who frequently has pursued a course in direct opposition to his councillors' advice. His Excellency the Governor possesses a higher position in relation to the society

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of Hong Kong than is enjoyed by the Emperor of China in relation to his subjects. Only five people of the twenty thousand in the colony—the Officer Commanding the Troops, the Bishop of Victoria, the Chief Justice, the Puisne Judge, and the Colonial Secretary—may address his Excellency directly ; all others must communicate through the secretary or the aide-de-camp. Democracy is a sarcastic term within a Crown Colony.

The people of Hong Kong are permitted to elect their own representatives to the Sanitary Board to consult with the official members appointed by the Governor, but the Sanitary Board has no power to carry out its own recommendations or to administer the funds which the people provide. Hong Kong has a public revenue of £700,000, and an expenditure of approximately the same amount, but the people cannot interfere with the employment of one penny of the money they contribute. Were Kipling with me in Hong Kong we should marvel together at the disfranchisement of a community whose only crime is the endeavour to uphold British interests in a distant corner of the British Empire.

When we had wearied of contemplating the

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anomalies of colonial government, we should journey to Happy Valley and the racecourse. There on the verandah of the Golf Club we should sit and watch the football or the cricket, the polo and the golf, the men playing hockey and the race-ponies led out to exercise. At one pursuit or another we should see every male Briton of Hong Kong engaged, from his Excellency the Governor to the most recently joined subaltern in the barracks, from the elderly Attorney-General to the youngest clerk in a shipping office. As we looked we should grow to understand one great factor in determining the present position of the Colony, in providing reason for prognosticating the future in Hong Kong—sport is sapping our genius for expansion.

It may be true that the Empire was won on the playing-fields of Eton. It is certain that our commerce is in danger of being lost upon the racecourses and pleasure-grounds of the East. One of the six unofficial members of the council—a merchant prince from the time of Kipling's visit—recently made himself obnoxious in the Colony by bluntly stating his dread of the obsession of sport ; yet was he, in his hours of leisure, as active a participant in the sports

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of the field as any healthy Britisher. He drew the line between play and duty.

I left England an enthusiastic Tariff Reformer. It seemed to me that the Empire had grown beyond the theories of Cobden, that the limits of 1849 were not the limits of 1906, that the aggression of foreign trade could be met only with the protection of home industries. My logic had seemed justified by conditions as I found them in Canada and in South Africa, in the United States of America and on the Continent of Europe. It was not until I studied the question from the standpoint of our trade in the Far East that I discovered a fallacy in the argument. For the first time I realized that Protection had been a success only in the most energetic, the most pleasure-sacrificing nations of the world—the American and the German.

British trade is slipping away, drifting into the hands of the enterprising Americans, the industrious Germans, the indefatigable Japanese, and the un-sleeping Chinese. The representatives of these nations work while Englishmen abroad play. The home-keeping public cannot conceive of the proportion of the working year that, in the Orient, is

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devoted to holiday. In England, by the strenuous effort of Sir John Lubbock, we have secured six bank holidays in twelve months. In the Far East those six are prolonged to nine days, and, in addition, business is suspended during the Spring Race Meeting and during the Autumn Race Meeting, during Chinese New Year, during the cricket week, and upon certain other occasions of festivity, until the six days of legal cessation from work become twenty days. Every evening, at five o'clock, the great bar of the Hong Kong Club is lined with the British who have finished their day's work. In the street the offices of the British firms are dark and silent, but from the windows of the German merchants broad streams of electric light signal the nation's industry until after midnight. On Sundays the British, to a man, are engaged in launch parties and on bathing excursions, at golf and at play. The Germans devote at least a portion of the day to work. The world rolls on without heed to holidays, and our commerce suffers while our agents play.

In these circumstances to place a protective tariff upon British manufactures would do little to protect trade, but might do something towards preserving our

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Far Eastern commercial representatives temporarily in idleness. Hong Kong is merely a distributing centre, and any scheme of protection, or retaliation, would only serve to drive its trade away. Tariff cannot ensure commerce against competition, and only constant application to business can avail to maintain Britain's position in the markets of the Far East. That application is not to be found in Hong Kong or in Shanghai, and to its absence I attribute the loss of our old position in the richest market of the world.

The political future in Hong Kong must see the transformation of the government of the territory from the callow condition of a Crown Colony into the adult state of a self-governing colony. The right of Britons to representation in return for taxation is as much the possession of his Majesty's subjects overseas as of his Majesty's subjects in Battersea and in Worcester. When the change occurs, the community will be face to face with the problem of granting representation to the 350,000 Chinese who contribute the greater part of the Colony's revenue. The problems of government have not yet all met their solution in the far-flung dependencies of Great Britain.

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The commercial future in Hong Kong depends upon the sagacity of the men controlling the great business interests there. They must prepare to invest a part of their present profit in provision to meet the changing conditions of China, else will their prosperity depart from them. No longer must owners of steamship lines retard railway development upon the mainland. Hong Kong must be linked up with the markets of China by land as well as by sea. It rests with the merchant princes to secure avenues of communication. It rests with the commercial public to devote sufficient of their time to the day's work, even at the expense of their sport, to enable Britain to compete with her new rivals in the markets of the Far East.

The future in Hong Kong depends upon the energy and the self-denial of the people composing the community.

CHAPTER VI

THE DEPARTING GLORY OF SHANGHAI

THE same Providence that runs big rivers so near to large cities puts towns of contrasting styles and communities of opposing interests in dramatic proximity to each other. Scholarly and aristocratic Edinburgh is an hour's run from practical and plebeian Glasgow. Philistine New York is an afternoon's journey from pedantic Boston. Shanghai is the next port of call after Hong Kong. It is true the towns are four days' sea-trip apart, but in the East days count as hours in the computation of travel.

Hong Kong rises 1800 feet sheer from a fairy sea. Shanghai lies smothered in a waste of fetid swamps on the slimy verge of a river that in moments of temper invades the settlement, turning its streets into waterways, and making bilge-tanks of its stores and warehouses. Nowhere does the world yield a

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fairer view than the approach to Hong Kong. By day, one glides to the anchorage over seas of sapphire blue, under the riven granite cliffs of the island. From the water's edge to the mist-capped summit of the mountain, upon precarious corbels, houses are promiscuously perched like pigeons on St. Paul's.

Across the harbour, over the dark vegetation of the gardens in Kowloon, one looks to the scarred flanks of the tawny hills of China. By night one rests in dreamland. The air is warm and balmy, inviting to slumber. All about are the topaz riding-lights on myriads of native junks and sampans dispersed about the ten square miles of harbour. The high sides of the hospital-ship irradiate the darkness of the Admiralty anchorage. The searchlights of the cruisers nervously reveal swift views of the toothed-edge of the highlands, probe deeply into the black gullet of the Ly-ee-moon Pass. The Peak sparkles with a thousand diamond points that pass imperceptibly upward into the full dome of the starry Eastern sky. Hong Kong is the birthplace for a poet.

To reach Shanghai one leaves the ocean liner at

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Woosung. From there for thirteen dreary miles of muddy, swirling river one struggles miserably to the settlement in a tug. The country to the right and to the left is flat, inhospitable. On the river banks are no trees, no houses, an occasional fisherman. If it be summer, the river smells as no foul thing in Europe smells. If it be winter, the cold wind whistles down from the North, and swoops upon one at the angles of the channel. If it be day, all the world is a mud flat. If it be night, space—black and portentous—stretches to infinity everywhere about us.

Round a bend of the river the launch sweeps into the anchorage before the Bund. The river is busy as the Thames at Wapping. Norwegian tramp steamers are to be counted by the score. The ensigns of a dozen nations trail at the stern of the traders. The house-flag of every shipping firm in the East floats at the peak of cargo-boats. Under the stern of an opium-hulk, that was once a P. and O. packet, we tie up to the landing-stage, and contemplate Shanghai.

The Bund is crowded as Cheapside, the roadway with the victorias of the exchange brokers and the

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glass-encased broughams of the Chinese merchants, with the motors of the English Taipans and the hackney-wheelbarrows of the Chinese coolies, with the bicycles of the progressive natives and the bamboo-slung burdens of the stevedores, with drunken sailors in rickshas and gay women in wonderfully appointed landaus; the pavements with hustling crowds from every nationality of Europe, Asia, and America. Hong Kong is English, with its trade slipping into the more efficient hands of foreigners. Shanghai is cosmopolitan, with its trade thrown open to the competition of the world.

In the club at the cocktail hour—from noon till one o'clock—all the men of English-speaking Shanghai, the brokers and the bankers, the piece-goods merchants and the shipping agents, crowd about the bar and barter the news of the day. It is the busiest hour of the twenty-four. The talk is much of business, but more of sport. Shanghai men live hard, drink hard, play hard. From the ugly land they inhabit they extract such pleasure as its muddy creeks make possible.

To the stranger it is difficult to understand whence comes all the money that is squandered on the

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racecourse and in the club, on the roulette-tables just outside the settlement, and in the questionable houses well within it. I asked representatives of all classes of society to explain to me how youths with a salary of £35 a month were able to spend £50 on what in Nonconformist England would be termed debauchery. The answer was always the same—a shrug of the shoulders, and “Oh, we’re all in debt to the comprador.”

The curse of the East is the “chit” system. No man carries money. Everywhere a resident’s signature is sufficient to give him credit till the end of the month. On the “first day” the Chinese comprador settles the account, and, for the nonce, salesman and customer are satisfied. As a result, all Shanghai is mortgaged to the Chinese stewards of the great hong or business houses. The system has eaten away the virility, the morality, the honesty of the people.

The British in the East do a great trade. In 1905 Shanghai imported £13,500,000 of foreign goods, yet is there no British millionaire in the settlement, no very rich operator. I have the highest authority for the statement that no Briton in

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Shanghai is worth to-day £250,000. The Chinese, on the other hand, who have grown from nothing to be millionaires under the fostering care of the foreigner, number at least a score. Much of the future in the Orient depends upon the plasticity of the European in the hands of the yellow man.

Nineteen hundred and five was a bad year for Shanghai. Its revenues declined. Its business diminished. The close of the year found it with vast quantities of unsold stock upon its hands. The statistical secretary of the Imperial Maritime Customs, in his report upon the trade of 1905, says, "The year closed with warehouses filled to overflowing with imports awaiting a market." When I passed through the settlement in June, I was told that £12,000,000 worth of goods littered the go-downs without hope of sale. Although the revenue collected at the thirty treaty ports of China showed an increase for the year of 9 per cent. over the preceding one, Shanghai suffered a decline of £10,000 in the last quarter, and closed its books with its warehouses full of unsold and unsaleable goods. The causes are many, and explain much of value in endeavouring to arrive at an estimate of the probable future.

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The statistical secretary, in his report, states, "The most important of the conditions affecting the trade of the year were the inclement weather in the spring and floods in the summer, the course taken by the war and its termination, and the boycott against American goods."

To me the cause of the decline was almost entirely the wakening of the Chinese to their power and the impotence of the European to meet it.

When I first visited Shanghai, four years ago, the settlement was prosperous and prospering. The war-cloud had not risen in the East, and men were busy making money. When I returned to it, in the first week of the Russo-Japanese War, I found the community ecstatically confident of the profits to accrue to them out of the muddy waters of the strife. A second time I visited Shanghai, in 1904, after the first successes of Japanese arms. Timidly, I asked what likelihood there was of a Yellow Peril—not a peril of advancing hordes, but a peril of invading brains, invading industry, and invading competition. I was laughed to scorn. Leading members of the community took pains to instruct me in the reasons why the yellow man never successfully could

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compete in the same field with the white man. I was lectured on the futility of my logic, and entertained at luncheons where the unimpeachable superiority of the European was demonstrated to my hosts' satisfaction and my own discomfiture. Finally, I was despatched northward unconvinced, but hopeful.

On May 10, 1905, a public meeting of Chinese business men was held in the Canton Guild House at Shanghai. Five hundred quiet, reputable, wealthy Chinese merchants were present. They were called to discuss a communication from their fellow-countrymen in the United States upon the new Exclusion Treaty proposed for their acceptance. The following telegram was approved by the meeting and sent to every native chamber of commerce throughout China :—

“American regulations annoyingly exclude Chinese labour and extend the restrictions upon our merchants abroad. Liang, our Minister at Washington, has refused to sign proposed Exclusion Treaty, and we hear that the United States is now dealing directly with our Foreign Office at Peking.

“Shanghai merchants have jointly implored the Foreign Office to be slow in signing this Treaty.

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They have also decided to stand by each other in refusing to purchase American goods, thus exhibiting a quiet resistance to the measure.

“Please inform all merchants in your districts and beg their co-operation.”

The American boycott was born. With its effects and its influence upon the future in the East I shall deal in its proper sequence. For the moment I am concerned with the fortunes of Shanghai.

In October, 1905, I was again in Shanghai. My old-time hosts were silent. Men in the club were quieter, less assertive than of yore. Trade was bad. American business was at a standstill. I inquired after old friends—two were bankrupts, a third had committed suicide. The Chinese, for the first time, had brought their traditional weapon of passive resistance into operation against the Europeans, and had paralysed business.

Once more I left Shanghai, travelled far into the interior, and returned in the Christmas week of 1905. Chinese Shanghai had risen. The streets were barricaded. Armed patrols marched day and night through the settlement. The talk was all of murderous assault and gallant resistance, of

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Europeans hauled from their carriages by infuriated mobs and maltreated, of Chinese rioters bayoneted and shot. I went to the club. Old friends were there, but pale-faced and heavy-eyed. They had undergone a siege within their own settlement. I asked one for the news of the day. He led me to the bar and quietly, solemnly, said, "Every white man in the settlement has been within an ace of having his throat cut."

In June, 1906, I passed through Shanghai for the last time. I was told that ships could not discharge their cargoes because the go-downs were already so full of material there was no room to store more.

Shanghai is the commercial door of China. Through it passes 53 per cent. of the total foreign trade of China. Shanghai has not been able to sell the goods in her possession since 1905.

In the first seven months of 1906, Japan imported £7,000,000 worth less of foreign goods than in the same period of 1905. In the first seven months of 1906, Japan exported £4,000,000 worth more of her own products than in the same period of 1905.

CHAPTER VII

THE GULF BETWEEN WEST AND EAST

By force of arms Japan has gained her place among the first-class Powers of the world. Her representatives abroad are ambassadors. She stands high in the councils of the nations, and Great Britain proudly acclaims her as ally. The question is whether Japan by education, by civilization, and by public morality will continue to justify her elevation to an equality with the peoples of Europe and America. To find answer to that, one must get away from platitudes, must divest one's self of the admiration bred of the battles of Liao Yang and Mukden, of the naval victories at Port Arthur and Tsushima Straits. The truth of the future in Japan is a matter beneath the surface, is not to be read in the inspired reports of correspondents, must be sought in the homes and in the minds of the people.

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One evening, in January, 1906, I was alone in Kyoto. On a clear frosty night, wrapped in furs, I walked up the hill on the way to the temple of Kiyomizu. The city was silent, save for the momentary patter of some belated wayfarer's clogs on the cobblestoned paths between the gardens. The city was silent, but not asleep. Through the paper windows of the sweetstuff shops and the places where they sell geta, yellow beams of light bridged the narrow street and made ghostly the little, red-rayed flags hung from the houses. Through the closed doors of a potter's workroom came the whirr of the busy wheel as the artisan fashioned his bowls and crane-necked vases. At the turn of a corner the hoarse laughter of soldiers enjoying the entertainment of their townsfolk reached up from the pavilion of a tea-garden in the hollow. True silence lay higher up, and the majesty of peace in the temple.

Toilfully for the last hundred yards, I attained to the broad stone steps of the temple to the God of Peace. Its great vermilion-lacquered beams were dimly visible by the dull light of the ever-burning lanterns. Its solitude, its silence were assured. Slowly, reverently, I moved through the wide halls,

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delicately perfumed with incense, to the wide platform overhanging the city. Beneath were the palaces and the prisons, the homes of 400,000 citizens, and the quarters where the Russian prisoners were confined. The full moon rose from behind my back and speedily limned the landscape in silver-point. Across the valley the cedar-clad hills made a background of velvet, mysterious, impenetrable. In the middle-distance the River Kamo parted the panel with a belt of oxidized silver. The lanterns in the streets glittered golden like spangles. At my side the sharp angles of the temple roofs gave inspiration for the composition. Only a Japanese artist could have understood the scene. Only a Japanese artist would have dared to reproduce its sharp contrasts of black and white.

I turned to gaze into the garden beneath me. It lay in dense shadow, and my wandering eye happened upon a lighted shrine and focussed there. Slowly out of the darkness there emerged a pool fed by an ever-flowing fountain, some steps, and the figure of a man. It was winter. It was icy cold. The hills around were snow-capped. The little pools in the interstices of the stone-work were frozen

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solid, but the man before the shrine was naked. In the light of the lamp before the altar I saw him dip in the pool and hold his head beneath the gushing stream. In the silence I heard his murmured incantation.

Later, I knew the devotee had come to seek absolution for sin committed, was there in the frosty night to wash away his guilt. The incident made me think, but provided no startling difference from the faith of the Westerners to affect a theory of evolution. I turned away, regretfully left the temple, and descended to the city underneath. It seemed to sleep.

Suddenly, in an empty street, appeared running a man with a lantern. As he ran he called out a summons to the people. In an instant the slumbering street was awake. Through the doors came men quickly alert, some with poles, some with hooks, all with lanterns. I joined the swelling crowd, ran with them through broad streets into narrow lanes until the press became impenetrable. A little way off, a house was blazing brightly. Painfully, laboriously, I worked my way through the throng of little men to the doorway of a shop commanding the scene.

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It was wonderful. Thousands were there, each with a lighted lantern. No procession, no fête, no carnival I have ever seen gave such a galaxy of light and colour. Round the block in which the burning house was placed the crowd incessantly rushed in a high-stepping trot to the waving of lanterns. As they pranced they chanted in deep-throated tones a refrain, "Huh, huh, ha-ha-huh! Huh, huh, ha-ha-huh!" Above the multitude showers of sparks threatened destruction. It was a dance of demons. At intervals a figure taller than the rest led a bevy of lantern-bearers. In his hands was a framework hung with bells and clashing cymbals. He gave the time to the section of the crowd attending him, and glowed with sweat as he swirled past in the surge of lanterns.

With time came primeval hand-engines, attended by firemen bare-legged and naked of thigh. No attempt was made to utilize them as extinguishers. They merely joined in the maniacal rush, and clattered in company round the block of buildings. Meanwhile the fire viciously gnawed its prey, heedless of the people who were bent on driving away the fire-demons. A woman and her children were

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roasted to death to the chorusing of the frenzied mob, a bank was devoured, and only the intervention of an open space saved a district of the town from utter ruin.

X I left the scene of the fire marvelling at the attitude of a people who had entered the conclave of the nations on a basis of equal civilization. It was a strange commentary on a theory of evolution which admitted Japan to the confidence of the Powers because of her success in war, and refused the claims of China because of her belief that war is merely licensed murder ill-befitting a nation of refinement and intelligence.

X I travelled to Tokio, not for the first time, and sought enlightenment upon the policy of Japan, internal and external. I met Ministers. I consulted members of the House of Peers. I interviewed publicists, and interrogated men of affairs. After weeks of effort I realized that the sum of my attainment was merely a confirmation of the width and the depth of the gulf which ever must separate East from West. From Port Said to Tokio, from Hong Kong to Mukden, every incident of my journey proved that there can be no coalescence of Oriental

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with European. Most devoutly as it may be wished by the framers of treaties, there is a barrier between white man and yellow man that is insuperable.

Strangely enough, the distinction is more keenly felt by the Easterner than by the Westerner. In his heart the Oriental despises the European. We talk blithely of alliances, but our British pride suffers a shock when a Japanese deputy rises in his place and asks rude questions about the British Army. The immediate cause of discord may be removed by carefully phrased diplomatic representation, by the erasure of records and the rewriting of Parliamentary reports, but the fact remains—the Japanese holds the British Army in contempt, and, however justifiable his disdain may be, we British resent his scorn. It is not the criticism at which we take umbrage, it is the criticism of the yellow man born east of Suez which turns our heart to gall.

I was travelling from Shimoneseki to Fusan. The vessel was Japanese-owned and Japanese-manned—the ordinary steam-packet of the trade. On board were many Japanese, two Europeans—an Italian Commissioner of Korean Customs and

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myself. On arrival at Fusan the customary tender came alongside to convey passengers to the shore. As for generations has been the habit, we Europeans prepared to descend first. The quartermaster stopped us, indicated that the Japanese must have preference. We waited till the last had gone down the gangway, and quietly essayed to follow. Again we were prevented. The tender left with its cargo of Japanese, and we Europeans followed after in a dirty, fish-smelling tug, with the second-class passengers and the coolies from the steerage. We made no complaint of our treatment, silently submitted, but our feeling of personal and national degradation can be realized only by those who have lived long in the countries of the Orient.

X Japan went to war with a profession of altruism which is the standard by which she must be judged to-day. She boldly acclaimed her devotion to the policy of the Open Door in China, in Manchuria, and in Korea. She begged money from the nations of the West to enable her to throw the door wide open to the commerce of the world. The money was forthcoming, the war with Russia was fought, but still Shanghai has its warehouses filled with

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British goods waiting to pass into Manchuria and Korea, in accordance with the promise of Japan. The door remains on the chain. A modicum of European goods has found an entrance to a limited selection of markets, in which Japanese merchants already had established their connection ; but, many months after the signing of the Treaty of Portsmouth, the great stretch of the country remains closed to European trade. In the mean time, from January 1 to July 31, 1906, Japan has sent abroad £7,000,000 worth more of her products than in the same period of 1905. National altruism expressed in a declaration of war spells national selfishness expressed in a balance-sheet of trade.

In Tokio I visited an influential member of the House of Peers, a past Minister of Agriculture and Commerce, an ex-Minister of Justice, long time private secretary of Marquis Ito, and to-day the most trusted friend of the Bismarck of Japan. I begged him to reveal to me the financial policy of Japan, the security upon which loans were sought, the purposes to which money borrowed from Europe and America would be put. He answered, "I cannot say. The traditional policy of Japan is a policy

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of silence. We never have revealed anything. We never shall reveal anything."

I readily acknowledged the correctness of his position in time of war, but sought to demonstrate the change brought about by time and circumstance. In the days of war, British and American investors overlooked Japan's secrecy with respect to her policy, her resources, and her assets, because of the magnitude of the issues involved. They gambled on her chances of victory. That victory secured, they demanded satisfactory guarantees of Japan's solvency before they would advance her additional money. British and American investors had been educated to expect the utmost candour on the part of enterprises seeking capital. If Japan wished the co-operation of the West, she must be prepared to accept the conditions of Western commerce in her dealings.

The Japanese answered with assurances of the good faith of Japan. I asked for facts, not platitudes, and I went away unsatisfied.

To us the future in Japan depends upon her good faith in fulfilling her ante-bellum promises. In January, 1902, there was not one British elector in

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a hundred thousand who knew anything of Japan or the Japanese. Neither was there one Japanese in a hundred thousand who knew anything of Britain or the British. The alliance of 1902 was a practical alliance, designed to serve a practical purpose. The purpose remains unchanged—the opening and the maintaining open of the markets of the East to the commerce of the world.

Two years ago Britain was committed to a policy by which the development of British trade was dependent upon the protection of British industries against foreign competition. To-day she is committed to a policy by which the development of British trade depends upon the energy with which she holds her old markets and obtains new.

In the Far East, Britain's most formidable rival in those branches of trade which hitherto she has considered her own is Japan. Japan intends, with the fullest justification, to secure a goodly share in the carrying trade of the East. She intends to exploit Manchuria, Korea, and China for her own ends; but Japan has no money, and to secure the means to make her an effective competitor in the world of commerce, she must come to her older

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rivals for funds. To obtain that money, she must satisfy her allies and her creditors with the publication of both political and commercial balance-sheets, with properly audited accounts, with facilities for the scrutiny of her assets.

So far those have not been presented to the world. As a nation, Japan is our ally. As a commercial Power, she is our antagonist. In viewing the future in Japan, it becomes Britain to be friendly, but not complaisant.

CHAPTER VIII

JAPAN'S TREATY OBLIGATIONS

SOME time ago one of his Majesty's most distinguished ambassadors, referring to affairs in the Far East, observed to me: "Remember that, in diplomacy, Russia must be measured as an Oriental, and Japan as a European nation; and do not forget that Japan has never yet repudiated a treaty obligation." In deference to his high authority, I have investigated the treaty obligations of Japan in the Far East.

On February 10, 1904, the Mikado issued a rescript declaring war against Russia. It concisely enunciated Japanese policy with respect to the war, and upon its assurances the Western world advanced money to Japan with which to conduct the campaign:—

"We, by the Grace of Heaven, the Emperor of Japan, seated on the Throne occupied by the same dynasty from time immemorial, do hereby make

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proclamation to all our loyal and brave subjects as follows :—

“We hereby declare war against Russia, and we command our army and navy to carry on hostilities against her in obedience to duty and with all their strength, and we also command all our competent authorities to make every effort in pursuance of their duties and in accordance with their powers to attain the national aim, with all the means within the limits of the law of nations.

“We have always deemed it essential to international relations, and made it our constant aim to promote the pacific progress of our Empire in civilization, to strengthen our friendly ties with other States, and to establish a state of things which would maintain enduring peace in the Extreme East, and assure the future security of our Dominion without injury to the rights and interests of other Powers.

“Our competent authorities have also performed their duties in obedience to our will, so that our relations with all Powers have been steadily growing in cordiality.

“It was thus entirely against our expectation that

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we have unhappily come to open hostilities against Russia.

"The integrity of Korea is a matter of gravest concern to this Empire, not only because of our traditional relations with that country, but because the separate existence of Korea is essential to the safety of our realm.

"Nevertheless, Russia, in disregard of her solemn treaty pledges to China, and of her repeated assurances to other Powers, is still in occupation of Manchuria, and has consolidated and strengthened her hold upon those provinces, and is bent upon their final annexation.

"And since the absorption of Manchuria by Russia would render it impossible to maintain the integrity of China, and would, in addition, compel the abandonment of all hope for peace in the Extreme East, we determined, in those circumstances, to settle the question by negotiations, and to secure thereby a permanent peace.

"With that object in view, our competent authorities by our order made proposals to Russia, and frequent conferences were held during the last six months.

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"Russia, however, never met such proposals in a spirit of conciliation, but by her wanton delays put off the settlement of the serious question, and by ostensibly advocating peace on the one hand, while she was on the other extending her naval and military preparations, sought to accomplish her own selfish designs.

"We cannot in the least admit that Russia had from the first any serious or genuine desire for peace. She has rejected the proposals of our Government. The safety of Korea is in danger. The interests of our Empire are menaced. The guarantees for the future which we have failed to secure by peaceful negotiations can now only be obtained by an appeal to arms.

"It is our earnest wish that by the loyalty and valour of our faithful subjects peace may soon be permanently restored, and the glory of our Empire preserved."

According to this rescript, Japan made war in order to preserve the integrity of Korea, to release Manchuria from the illegal occupation of Russia, and to maintain the integrity of China. At the time of its publication the attitude of Great Britain and Japan

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was defined by the terms of the Anglo-Japanese Agreement for Alliance concluded in January, 1902.

Article I. of that Agreement stated—

“The High Contracting Parties having mutually recognized the independence of China and Korea, declare themselves to be entirely uninfluenced by any aggressive tendencies in either country. Having in view, however, their special interests, of which those of Great Britain relate principally to China, while Japan, in addition to the interests which she possesses in China, is interested in a peculiar degree politically, as well as commercially and industrially, in Korea, the High Contracting Parties recognize that it will be admissible for either of them to take such measures as may be indispensable in order to safeguard those interests if threatened either by the aggressive action of any other Power or by disturbance arising in China or Korea, and necessitating the intervention of either of the High Contracting Parties for the protection of the lives and property of the subjects.”

Prior to the outbreak of hostilities, Japan had been bound by a treaty made with Russia on June 9, 1896, pursuant to a memorandum drawn up at Seoul,

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on May 14, 1896, by the representatives of the two countries, and amended by the protocol of April 25, 1898, defining their joint attitude towards Korea.

The protocol of 1898 consisted of three articles:—

“Article I.—The Imperial Governments of Japan and Russia definitively recognize the sovereignty and entire independence of Korea, and mutually engage to refrain from all direct interference in the internal affairs of that country.

“Article II.—Desiring to avoid every possible cause of misunderstanding in the future, the Imperial Governments of Japan and Russia mutually engage, in case Korea should apply to Japan or to Russia for advice and assistance, not to take any measure in the nomination of military instructors and financial advisers without having previously come to a mutual agreement on the subject.

“Article III.—In view of the large development of Japanese commercial and industrial enterprises in Korea, as well as the considerable number of Japanese subjects resident in that country, the Imperial Russian Government will not impede the development of the commercial and industrial relations between Japan and Korea.”

Japan's Treaty Obligations

Immediately upon the rupture of diplomatic relations with Russia, Japan, on February 23, 1904, concluded a new treaty of six articles with Korea :—

“ Article I.—For the purpose of maintaining a permanent and solid friendship between Japan and Korea, and firmly establishing peace in the Far East, the Imperial Government of Korea shall place full confidence in the Imperial Government of Japan, and adopt the advice of the latter in regard to improvement in administration.

“ Article II.—The Imperial Government of Japan shall in a spirit of firm friendship ensure the safety and repose of the Imperial House of Korea.

“ Article III.—The Imperial Government of Japan definitively guarantees the independence and territorial integrity of the Korean Empire.

“ Article IV.—In case the welfare of the Imperial House of Korea or the territorial integrity of Korea is endangered by aggression of a third Power or by internal disturbances, the Imperial Government of Japan shall immediately take such necessary measures as the circumstances require, and in such cases the Imperial Government of Korea shall give

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full facilities to promote action of the Imperial Japanese Government.

"The Imperial Government of Japan may, for the attainment of the above-mentioned object, occupy, when the circumstances require it, such places as may be necessary from strategical points of view.

"Article V.—The Governments of the two countries shall not in future, without mutual consent, conclude with a third Power such an arrangement as may be contrary to the principle of the present protocol.

"Article VI.—Details in connection with the present protocol shall be arranged, as the circumstances may require, between the representatives of Japan and the Minister of State for Foreign Affairs in Korea."

With those deliberately expressed standards of national policy Japan went to war. On August 29, 1905, agreement was reached upon a treaty of peace between Russia and Japan. Three articles of that treaty bear particularly upon Japan's future in the territories affected by the war:—

"Article II.—The Russian Government, acknowledging that Japan possesses in Korea paramount political, military, and economic interests, engage

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neither to obstruct nor to interfere with the measures of guidance, protection, and control which the Government of Japan may find it necessary to take in Korea. It is understood that Russian subjects in Korea shall be treated exactly in the same manner as the subjects or citizens of other foreign Powers—that is to say, they shall be placed on the same footing as the subjects or citizens of the most favoured nation. It is also agreed that, in order to avoid all causes of misunderstanding, the two High Contracting Parties will abstain on the Russo-Korean frontier from taking any military measures which may menace the security of Russian or Korean territory.

“Article III.—Japan and Russia mutually engage—

“1. To evacuate completely and simultaneously Manchuria, except the territory affected by the lease of the Liao-Tung Peninsula, in conformity with the provisions of additional Article I. annexed to this treaty.

“2. To restore entirely and completely to the exclusive administration of China all portions of Manchuria now in the occupation or under the

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control of the Japanese or Russian troops, with the exception of the territory above mentioned.

“The Government of Russia declare that they have not in Manchuria any territorial advantages or preferential or exclusive concessions in impairment of Chinese sovereignty, or inconsistent with the principle of equal opportunity.

“Article IV.—Japan and Russia reciprocally engage not to obstruct any general measures common to all countries which China may take for the development of the commerce and industry of Manchuria.”

On September 27, 1905, the details of a new Anglo-Japanese Treaty were published to the world. According to the preamble, the objects of the treaty were—

“(a) The consolidation and maintenance of the general peace in the regions of Eastern Asia and of India ;

“(b) The preservation of the common interests of all Powers in China by ensuring the independence and integrity of the Chinese Empire and the principle of equal opportunities for the commerce and industry of all nations in China ;

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"(c) The maintenance of the territorial rights of the High Contracting Parties in the regions of Eastern Asia and of India, and the defence of their special interests in the said region."

The important provision of the treaty, in considering its effect upon British relations in connection with the future in Japan, is Article III.—

"Article III.—Japan possessing paramount political, military, and economic interests in Korea, Great Britain recognizes the right of Japan to take such measures of guidance, control, and protection in Korea as she may deem proper and necessary to safeguard and advance those interests, provided always that such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations."

With those treaties and agreements, Japan entered upon her career as a first-class Power.

CHAPTER IX

BRITAIN'S STAKE IN KOREA

It is the custom for publicists, commenting upon the situation in Korea, to quote Britain's position in Egypt as justification for Japanese action in the Land of the Morning Calm. The parallel is not justified. In Egypt, Britain has invested her brains and her capital, but has taken away no single thing that was the people's before. In Korea, Japan has exploited her brains; but, in place of capital, has poured into the country thousands of her own citizens to compete with the natives in labour and in commerce. Britain has aided Egypt to develop her resources, to progress in civilization, to grow in wealth and in estate. Japan has assumed the control of all of Korea's resources, has taken land from the people without compensation or authority, and has striven to crush every sentiment of self-respect in the Hermit Nation. The indictment is a

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grave one in face of the promises to "guarantee the independence and territorial integrity" of the Empire contained in every treaty Japan has made with Korea. The fact that Japan has gained the tacit consent of the Powers to her acts cannot affect their morality.

To the man in the street in London and in New York, Korea remains a very mysterious land. He does not know, and does not care, that Korea gave Japan her mediæval civilization. It interests him little that Korea is a nation of poets, that its people find more pleasure in the sheen on a butterfly's wing than in a Wild West Show, that a Korean's ideal of bliss is a walk among the whispering pine trees, and that his conception of deepest degradation is meanness. The Koreans are a nation of Sentimental Tommies, of dreamers in a practical age, of idealists summoned to view the brutality of civilization. On October 8, 1895, they saw their Empress, her Minister of the Household, and three Court ladies treacherously murdered by Japanese to accelerate the nation's emancipation from barbarism. On November 17, 1905, they saw their Prime Minister forcibly detained by Japanese soldiers, the while

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Marquis Ito gained the signing of his treaty "to strengthen the principle of solidarity which unites the two Empires" at the point of General Hasegawa's sword. They have seen their fellow-countrymen tied up to wooden crucifixes and shot by Japanese soldiery, because they tore up railway sleepers in protest against the seizure of their land without compensation. They saw their great patriot, Prince and General Min Yong Whan, commit suicide on November 30, 1905, because his nation's honour had been sullied by the loss of the independence solemnly guaranteed to her by Japan. On January 25, 1906, they saw Song Peung Chun, the most revered literary man of Korea—a poor man, but a scholar—kill himself because Japanese guards had dragged him from his 'ricksha before the palace gates when seeking audience of his Emperor. They have seen all the glorious panoply of civilization, and have turned their faces to the wall in bootless yearning after the barbarism they had lost.

We Western people, however, are a practical people, who have lived down our squeamishness at the methods of civilization. It is our purpose merely to keep safe watch over our own interests, to see

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that nothing in Japanese expansion interferes with British investments in Korea. Those investments are of an importance to startle the complacent student meditating upon the future in the Orient. We can afford to disregard Korea's shrinking under the sword of her executioner—it is no part of practical politics to play the Good Samaritan—but we cannot afford to stand idle when our purse is affected by another's aggression.

Some two million pounds sterling of British capital already have been invested in Korea. The sum represents many millions more intended for the development of the country. Of the British companies operating in Korea, the principal are the British and Korean Corporation (Limited), of which the directors are Messrs. W. Keswick, M.P., C. C. McCrae, Sir A. Colvin, K.C.S.I., and Messrs. A. de la Hault, A. Diehl, G. A. Neville, and C. G. Ross. The capital of the company is £382,500, and the principal shareholders are Matheson and Co., the Railway Share Trust, the Hong Kong and Shanghai Bank, and the British and Chinese Corporation.

The Korean Waterworks (Limited) is a British concern directed by Baron George de Reuter, Sir

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William Hood Treacher, K.C.M.G., and Messrs. C. Kadono, R. L'Estrange, M. Bougeres, F. B. Lawson, and M. P. Sayce. Its capital is £500,000, and its principal shareholders are the Japanese and Eastern Corporation, G. Cawston and Co., Steele, Lockhart and Co., Collbran and Bostwick, and Achille Adam.

The Manchu Syndicate has a capital of £20,250, and has as its directors Messrs. F. B. Lawson, F. S. E. Drury, E. Turk, and R. Mallaby Deeley. The principal shareholders are Ehrlich and Co., H. B. Marshall, Keyser and Co., Collbran and Bostwick, and Rufus Isaacs, M.P.

The Korean Syndicate (Limited) has a capital of £11,125, and is directed by Messrs. H. E. M. Bourke, R. Feetham, Achille Adam, F. B. Lawson, and M. P. Sayce. Its principal shareholders are Coates, Son and Co., Bonner Lawe, and Achille Adam.

The Anglo-Japanese Syndicate is a private syndicate, operating with some £10,000 of capital subscribed by the Consolidated Goldfields of South Africa, by Messrs. Hirsch and Co., and by Neumann and Vickers.

In addition to those various companies, there are two British syndicates which are seeking a footing

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in Korea, the Samurai Syndicate and the Nippon Syndicate.

The Oriental Consolidated Mining Company, which comprises British and American shareholders, and is represented in this country by Messrs. Wernher, Beit and Co., has a capital of \$5,000,000, and regularly pays a dividend of 10 per cent.

The list of shareholders interested in the financial syndicates operating in Korea contains names that are household words in Great Britain. Among them are Sir Charles Rivers-Wilson, G.C.M.G., C.B., late Chief Secretary of the Treasury, late vice-president of the Suez Canal, president of the Grand Trunk Railway of Canada; C. Dilke, Esq.; the Egyptian and General Syndicate (Limited), which is under the auspices of the National Bank of Egypt and of Sir Ernest Cassel; the Exploration Company (Limited), called Rothschild's Exploration Company, and which was promoted by Messrs. N. M. Rothschild; Mr. B. T. Bayliss, manager of the Exploration Company; Mr. E. A. Hambro, director of the Bank of England; Lilian Marchioness of Anglesey; Mr. Barnet Lewis, of Messrs. Lewis and Marks; Count Hatzfelde Wildenburg; Signor Angelo Luzzatti,

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concessionaire of the Pekin Syndicate and son of a late Prime Minister of Italy ; Mr. Daniel Marks, of Messrs. Marks, Bulteele, the brokers of Mr. J. Pierpont Morgan ; Mr. E. J. Mills, partner of Messrs. Marks, Bulteele, and brokers of Messrs. Mills, of Glyn, Mills and Co. ; Mr. A. G. Schiff, of the London Stock Exchange ; Messrs. Arthur and Edward Wagg, of Messrs. Herbert, Wagg and Co., stock-brokers ; Mr. B. B. Weil, of the South African financial firm ; Mr. Theo. Porges, late diamond merchant, of Kimberley ; Mr. C. F. Roswell, a partner in Messrs. Lewis and Marks, the South African financiers ; Mr. George Cawston, of Messrs. Cawston and Co., stock-brokers ; Major E. F. Coates, M.P., the senior partner of Messrs. Coates, Son and Co. ; Mr. C. A. Hanson, of Messrs. Coates, Son and Co. ; Achille Adam, Esq., the French Deputy, director of the South-Eastern Railway, a partner in the banking-house of Adam et Cie., and the president of the Syndicate of Provincial Bankers of France ; Count Felice Scheibler, of Milan, the chairman of the Societa Bancaria Italiana ; J. R. K. Law, Esq., of Glasgow ; H. E. M. Bourke, Esq., well known in the City ; John W. Pearse, Esq., the colliery owner of

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Swansea; M. P. Sayce, Esq., of New York; the Syndicate de Yunnan (Limited); A. L. Pearce, Esq., late Government Mineral Adviser to Peru; Colonel W. J. Sutherland, the owner of a large mine in Alaska; Cecil A. Grenfell, Esq., a partner in the stock-broking firm of Messrs. Govett, Sons and Co.; Sir Henry C. J. Bunbury, the Deputy-Lieutenant of Suffolk; the Hon. Robert White, of Messrs. Govett, Sons and Co.; Comte Auguste Mimerel, banker of Paris; Captain F. B. Lawson, deeply interested in Far Eastern development; Robert Feetham, Esq., of Messrs. Coates, Son and Co.; M. G. de Maroussom, Baron Bruno de Senevas, and M. A. A. Lelievre, Paris financiers; Raymond Radclyffe, Esq., the managing director of a large group of Egyptian investments; Mrs. Mildred Mulvaney, the wife of the distinguished British Consul at Dusseldorf; the Right Hon. the Earl of Mayo, P.C., K.P.; the Earl of Sandwich; H. B. Marshall, Esq., the South African financier; Messrs. Ricardo, Poston and Co.; Messrs. Billett, Campbell, and Grenfell; J. F. W. Deacon, Esq., of Messrs. Williams, Deacon and Co., bankers; Wilberforce Bryant, Esq., of Messrs. Bryant and May; Colonel de Lisle; Messrs. J. W. Gordon

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Oswald and H. C. Porter, financiers ; W. Moore, Esq., of Liverpool ; Rufus Isaacs, Esq., K.C., M.P. ; Major D. F. Davidson ; Messrs. L. Ehrlich and Co., the South African and West Siberian property owners ; E. T. McCarthy, Esq., M.I.E.E., consulting mining engineer ; F. H. Hamilton, Esq., South African merchant ; George E. Manners, Esq., and A. Owen, Esq., financiers ; the Anglo-American Debenture Corporation (Limited) ; and Baron George Reuter, of London and Paris.

The list is a long one and an imposing, but it must be placed on record in order to establish Britain's right to a say in the commercial as distinguished from the political future in Korea. Japan has guaranteed to Great Britain, in the treaty of September 27, 1905, that such measures as she may take in Korea for its "guidance, control, and protection" shall not be "contrary to the principle of equal opportunities for the commerce and industries of all nations."

CHAPTER X

JAPAN'S BREACH OF FAITH

OF all the uneasy heads that wear a crown the least restful is that of Yi Hyong, styled Myung-bu, Emperor of Korea, King of the Ten Thousand Islands, Chief of Chosen, Lord of the Land of the Morning Calm. Called to the throne at a moment of such dramatic intensity that the crises of his reign were foreshadowed at his accession, he has ruled as King and Emperor for forty-two most troubled years.

On January 15, 1864, Ch'ul-jong, King of Korea, feeling uneasy, sought relief by walking in his garden. Once in the open air, he was seized with faintness. Dragging himself back to his apartment, he sank to the floor unconscious. Speedily around him gathered the Queen, Myung-sun Ta-bi, the Minister, Kim Choa-geun, his son Kim, and three other relatives. The nephew of the Dowager

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Queen Cho, happening to pass, saw the situation, hastened to his aunt's apartments, and, bursting in, cried, "Why do you tarry here? The King is dead!"

The Dowager Queen waited not, but hurried to the room and broke in upon the solemn conclave. The dying King lay speechless. From the Queen she demanded the Royal seals. The Queen refused to yield them. The Dowager seized upon her, and from the folds of her dress snatched the emblems of power. Turning to the stupefied courtiers she at once made proclamation: "The King says the Royal seals shall be in charge of Queen Cho. The throne shall go to Myung-bok, the second son of Prince Heung-sung, whose name was Yi Ha-eung. Minister Chong shall be executor of the King's will, and Minister Kim shall go to summon the new King."

The Dowager Queen Cho had changed the course of an empire, and Myung-bok was roused from his kite-flying to find himself King at twelve years of age. In the years that have intervened he has seen much cruel murder done in his very presence, has fled from the devil of Japan to sink in the deep sea of Russian intrigue, has emerged again finally to

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witness the independence of his empire signed away at the point of Japanese soldiers' bayonets.

In elucidation of the signing of the Convention between Japan and Korea that sealed the fate of the Hermit Nation, I would relate the facts as they were told to me by the favourite Chamberlain of the Emperor. Other accounts there are, notably the narrative as authorized by the Prime Minister in the native papers, and which was promptly suppressed by order of the Japanese, the translation of that report published in English by the *Korea Daily News*, and the statement of Mr. Homer B. Hulbert, in his authoritative work, "The Passing of Korea." All of these agree in their exposition of the facts, but none is so detailed in its presentation as that of the Court Chamberlain, which I give for the first time without curtailment to the world.

On November 11, 1905, Marquis Ito was received in audience by the Emperor of Korea at Seoul. The Marquis presented an autographed letter from the Mikado, which read as follows:—

"I, the Emperor of Japan, hereby congratulate your Majesty on the restoration of peace in the Far East, and, in order that the friendly relations

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existing between our two nations should become still closer, I hereby send my special ambassador, whom I beg you to receive.

"I also wish to assure your Majesty that I shall hereafter guard the integrity of Korea, and vouchsafe the personal safety of the Imperial Household."

At three o'clock on the afternoon of November 15, Marquis Ito, accompanied by Secretary Kukubo, of the Japanese Legation, and Mr. Pak Yong Wha, of the Korean Imperial Household, was again received in audience by his Majesty. At this audience the Japanese envoy presented his proposals in the following three articles :—

"Article I.—The Korean Department of Foreign Affairs shall be abolished. In future all diplomatic dealings on the part of Korea will be despatched by a special council sitting at Tokio.

"Article II.—The Japanese Minister at Seoul shall hereafter be called 'General Superintendent' or 'Director of Affairs' (Tongkam).

"Article III.—The Japanese Consular representatives at Seoul and at the different ports of Korea shall hereafter be called 'Superintendents' (Isa)."

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The Japanese envoy then proceeded to urge upon his Majesty the necessity of promptly giving his assent to the signing of the articles.

The Emperor, in reply, said, "I had heard, of late, rumours, and had seen statements in the newspapers to the effect that Japan intended to propose a treaty for my acceptance placing Korea under her protectorate. Never doubting that his Majesty the Mikado was sincere in the assurances which he gave to the world in his declaration of war against Russia, and which were embodied in the treaty signed in Seoul last year between your Empire and my land to preserve the 'independence and territorial integrity of Korea,' I gave no credit to such unauthorized reports. I congratulated myself upon having the privilege to welcome you as his Majesty's representative, never doubting that your mission was a friendly and an honourable one. Instead of that expectation your present demands exceed my wildest apprehensions."

Marquis Ito said, "These demands are not of my framing, but are the mandates from my Imperial master. They are designed for the good of both nations, and to ensure the establishment of

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permanent peace in the Far East. I therefore beg that your Majesty will speedily accede to them."

The Emperor, replying, said, "From time immemorial it has been the custom of the rulers of Korea, when confronted with questions so momentous as this, to consult first with their Ministers and the officials of the Government; and, having obtained their advice, to submit it to the wisdom of the scholars and to the sentiment of the common people of the realm. I, alone, cannot decide a question so vital to the people of my land."

Marquis Ito, in some heat, returned, "The opinions of the people can at all times be influenced by force of arms. The friendship of the nations is at stake, and I submit it is the duty of your Majesty to make haste in agreeing to these proposals."

His Majesty said, "My consent would mean the annihilation of my country. I shall never agree to those articles, even if my refusal cost me my life."

In the words of the Court Chamberlain, "and so four hours of time were wasted, and the Marquis, being no farther forward than when he started, was forced to withdraw."

The following day, November 16, the Japanese

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envoy invited the Prime Minister and the members of the Cabinet to his hotel to renew his appeal. Many hours were spent in fruitless discussion, and at dead of night the officials retired to their respective homes firm in their determination to oppose the Japanese demands.

That same day Pak Che Soon, the Minister for Foreign Affairs, had been called to the Japanese Legation, and there subjected to all the powers of persuasion possessed by the Minister Hayashi. He stood firm, however, and the 16th closed with the negotiations at a deadlock.

On November 17, Mr. Hayashi again received the Ministers at his Legation, this time at two o'clock in the afternoon. After some hours of bootless talk, he suggested an adjournment to the palace and a renewal of the discussion in the presence of the Emperor. This proposal was agreed to by the Koreans, and the session was resumed in the place which Yi Hyong had caused to be built, for safety's sake, in the shadow of the British and American Legations. He was about to test the value of their protection.

When the council had been opened before his

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Majesty, the Prime Minister, Han Kiu Sul, detailed the course of events, and explained the impossibility of agreement between the Japanese envoys and themselves. He earnestly importuned the Emperor not to yield, even though his life and the lives of his Ministers should be the price of the refusal.

"At this point," narrates the Court Chamberlain, "his Majesty, the Prime Minister, and Pak Che Soon, the Minister for Foreign Affairs, wept."

"Of a sudden a great force of Japanese police, gendarmes, and soldiers swarmed into the palace, surrounded the Imperial library, in which his Majesty was then occupying apartments, and with drawn swords and fixed bayonets defied the Council of Ministers. His Majesty retired." Marquis Ito, accompanied by General Hasegawa, who is charged with the massacre of Chinese at Port Arthur in 1894, entered the Council Chamber. Learning that the representations of Mr. Hayashi had not availed, the Marquis gripped the Prime Minister by the wrist and exhorted him to reopen the conference. Han Kiu Sul refused. Marquis Ito stormed. The Korean was determined.

The envoy then requested an audience of his

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Majesty through the agency of the Minister for the Household, Yi Chai Keuk. The Emperor refused. He sent word that he was suffering from a severe sore throat, and could receive no one. Marquis Ito then strode to the window of his Majesty's bed-chamber and, speaking through it, personally demanded an audience. The Emperor answered—

"There is nothing to be said. I ask you to withdraw, and to address whatever you wish to lay before me to the Ministers of my Cabinet."

Marquis Ito, of necessity, withdrew. Returning to the audience chamber, he told the Ministers that it was the order of his Majesty that the meeting should immediately be resumed. Calling one of the clerks of the State Council, he ordered him to rewrite the summons for the council, and at once declared the meeting opened.

The Prime Minister definitely refused to sign the articles. Marquis Ito ordered that a vote be taken. Against the Japanese proposals there voted the Prime Minister, the Minister for Finance, Min Yong Kiu, and the Minister for Justice, Yi Ha Yung. The Minister for Foreign Affairs voted against the articles, but qualified his refusal by proposing certain

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amendments. Those were promptly made by Marquis Ito ; but, before the second ballot, the Prime Minister and the Ministers for Justice and Finance intimated their determination not to vote, and the Prime Minister rose to leave the assembly.

It was the intention of the Prime Minister to beg an audience of the Emperor and to seek counsel of him. No sooner had he left the Council Chamber, however, than Mr. Hagiwara, Secretary of the Japanese Legation, hurried after him with a force of gendarmes and police, who led him away to a corner room of the Imperial library and held him prisoner there.

To him came Marquis Ito, who alternately cajoled and threatened. The Prime Minister was immovable. General Hasegawa half drew his sword, and seriously intimidated the Prime Minister. Han Kiu Sul addressed himself to the Marquis Ito and said—

“When you have placed us under something worse than the mouth of the cannon or at the point of the sword, how can your threats or your alternatives of life and death move me? When you are taking something more precious than my name, can you think that I care to let that name live?”

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Marquis Ito, beside himself with rage, demanded, "Should his Majesty your Emperor command you, would you still refuse?"

The reply was deliberate and unmistakable—

"Even so. To this affair I cannot give my consent, even if his Majesty so decrees it."

Midnight of November 17 found the situation unchanged. All the force of Marquis Ito's eloquence, all the power of swords and bayonets, had not availed to bring the Koreans to acquiescence. The Japanese envoy was in danger of appearing absurd in the eyes of the world, and the dignity of his nation was at stake. He summoned the Minister of the Household, and ordered him to proceed at once to the Emperor and to inform him that the Prime Minister was a traitor, who had declared that he would not obey the Imperial commands, and to demand his immediate removal from office. The quaking Minister departed on his mission, to be met with his Majesty's supreme displeasure, to receive his dismissal from office, and a sentence of banishment for three years.

Marquis Ito next despatched Japanese emissaries to the Foreign Office with orders to bring back the

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Foreign Office seal. Turning to the Council of Ministers, he said—

“It makes no difference whether the Prime Minister’s seal be attached to the articles or not. It is the seal of the Minister for Foreign Affairs that counts.”

He relied upon the decree of August 3, 1885, which affirmed that all contracts between the Korean Government and foreigners must bear the seal of the Foreign Office.

After a period of waiting, while the Prime Minister sat apart in a distant room guarded by soldiers, the seal was brought into the Council Chamber and affixed to the document. Under stress of coercion, Yi Chi Yong, the Minister for Home Affairs; Yi Kun Tak, the Minister for War; Yi Wan Yong, the Minister for Education; and Kwan Cheung Hiun, the Minister for Agriculture, appended their seals. The Prime Minister was not allowed to enter the Cabinet, and the Ministers for Finance and for Justice refused to sign the protocol.

At two o’clock on the morning of November 18, Marquis Ito, General Hasegawa, and Mr. Hayashi

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left the palace. Shortly afterwards the Japanese guards were withdrawn and marched back to quarters. The session had lasted exactly twelve hours.

The "Treaty" as concluded consisted of five articles:—

"The Governments of Japan and Korea, desiring to strengthen the principle of solidarity which unites the two Empires, have with that object in view agreed upon and concluded the following stipulations, to serve until the moment arrives when it is recognized that Korea has attained national strength:—

"Article I.—The Government of Japan, through the Department of Foreign Affairs at Tokio, will hereafter have the control and direction of the external relations and affairs of Korea; and the diplomatic and consular representatives of Japan will have the charge of the subjects and of the interests of Korea in foreign countries.

"Article II.—The Government of Japan undertake to see to the execution of the treaties actually existing between Korea and other Powers, and the Government of Korea engages not to conclude

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hereafter any act or engagement having an international character except through the medium of the Government of Japan.

"Article III.—The Government of Japan shall be represented at the Court of his Majesty the Emperor of Korea by a Resident-General, who shall reside at Seoul, primarily for the purpose of taking charge of and directing matters relating to diplomatic affairs. He shall have the right of private and personal audience of his Majesty the Emperor of Korea. The Japanese Government shall also have the right to station Residents at the several open ports, and at such other places as it may deem necessary. Such Residents shall, under the direction of the Resident-General, exercise the powers and functions hitherto appertaining to Japanese Consuls in Korea, and shall perform such duties as may be necessary in order to carry into full effect the provisions of this Agreement.

"Article IV.—The stipulations of all treaties and agreements existing between Japan and Korea not inconsistent with the provisions of this agreement shall continue in force.

"Article V.—The Government of Japan undertakes

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to maintain the welfare and dignity of the Imperial House of Korea."

It was a sufficiently comprehensive document to pass into law with the signature of only five Ministers—one of whom, the Minister for Foreign Affairs, protested against the use made of his seal—out of a Cabinet of eight.

No sooner had the Japanese withdrawn from the Council Chamber than Han Kiu Sul, released from arrest, returned to learn that the nation's independence had been signed away by his pusillanimous colleagues. The Prime Minister broke down utterly at the news. Turning to the Minister for Foreign Affairs, he said—

"Wretch, when you called upon me at my house this morning, you swore you would never assent to these proposals. You even promised to throw your seal into the pond rather than that it should be appended to such a document. And now you have broken your promise. Miserable traitor! You have sold your country."

The Prime Minister, keeping the Cabinet sitting, at once prepared a memorial to the Throne detailing the events of the night, and praying for the dismissal

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and punishment of all who had had part in signing the protocol. The clerk who, at the command of Marquis Ito, had summoned the council and had drafted the terms of the treaty he discharged with ignominy.

That finished, the weary councillors sought their homes. Korea had become a vassal State.

CHAPTER XI

THE RESENTMENT OF THE KOREANS

WHEN the news of the conclusion of the treaty was made known the people were aghast. They would not believe that their Government had so basely betrayed them. They hurried to the palace, to be met and repulsed by Japanese guards. As the news spread through the country, former Ministers hastened to the capital, and on November 26 held a meeting, at which they decided upon a memorial to the Throne, calling for the repudiation of the treaty by the Emperor, and the sentence to death of the officials who assented to it. In Korea such a memorial is equivalent to a resolution of Parliament in constitutional countries.

The Emperor, surrounded by Japanese and refused access to his advisers, made significant reply: "I have received so many memorials from officials and from the people, high and low, every day of late,

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that I fully appreciate the public resentment, but you yourselves must find a means to rearrange the matter, and I order you to return to your homes."

The memorialists, according to custom, remained in the palace until such time as their petition should be granted. At the gates, in the icy cold, the common people knelt, day and night, on mats, mutely appealing.

On the evening of November 27, General Hasegawa telephoned to the Emperor demanding that the ex-Ministers and officials be at once dispersed, otherwise he would send Japanese gendarmes to drive them out of the precincts of the palace. His Majesty, in terror, repeated the order, but the petitioners remained, passively resisting. Late at night their leader, Cho Byong Sei, taking a mat, spread it before the Imperial apartments, and, kneeling there, waited the Emperor's assurance. At three o'clock in the morning he was removed by Japanese gendarmes, and carried off to prison.

Prince and General Min Yong Whang then assumed the direction of the petitioners, and on the morning of November 28 sent in a third memorial to his Majesty. To all the foreign

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Legations in Seoul they sent the following statement of affairs :—

“It has been acknowledged by the world that Korea is an independent nation, and Japan has solemnly announced on many occasions, beginning with the Treaty of Shimonoseki and including the Declaration of War between Japan and Russia, and ending with the treaty between Japan and Korea in February of last year, that she also would respect and preserve the independence and integrity of our Empire.

“A few days ago the Japanese Envoy and the Japanese Minister entered the palace and compelled the Minister for Foreign Affairs to place his seal upon a document which provides for the establishment of a Japanese supreme administrator in Korea, and for the transfer of Korean diplomatic affairs to Japan. This document, being utterly opposed to what Japan had led us to expect, has not been agreed to by our Emperor, and is firmly opposed by the Prime Minister of our Cabinet.

“The Japanese Envoy used threats and violence to obtain the consent of the Ministers ; the palace was besieged with soldiers, and the official seal was

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stolen from the Foreign Office. The Japanese call a document concluded in such circumstances a treaty!

"Foreign Ministers who reside in Seoul are being driven away, and Korea will be deprived of all hope of appeal. We, therefore, trust that the foreign Ministers will take joint action and refuse to recognize a treaty made under such conditions."

Two of the foreign Legations refused to receive the statement on the ground that it did not come through the proper channel of the Foreign Office.

On the evening of the 28th the memorialists, being still at their posts, were informed that the Emperor had issued orders for their arrest. In consequence they withdrew within the gates of the Supreme Court, where they spread their mats and resumed their vigil. For three days and three nights they knelt, without sleep or refreshment, under the bayonets of the Japanese guards.

At midnight, on November 29, Prince Min Yong Whang, learning that no action would be taken as a result of the memorial, left his post and proceeded to the house of an old and trusted servant of his family. At six o'clock, on the morning of

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November 30, he cut his throat and died in protest at the outrage to the honour of his nation. In his clothes was found the following letter to his fellow-countrymen :—

“Through my inability in the service of the Empire the present threatening state of affairs has resulted. I am killing myself; my object in doing this being to demonstrate my sense of gratitude to the Emperor, and to allay in part the just resentment of my twenty million compatriots.

“My death may have no immediate result, and after my death nothing need be said about me, but I am sure that under the new state of affairs troubles will destroy our nation and the people of our land.

“The foreign Ministers must have known what Japan proposed to do. I hope that the foreign Ministers will make known to their Governments and to their people the condition of our Empire, and I hope that some measure of justice presently may be meted out to my unhappy country.

“It must not be thought that our people are not patriotic. We are. If the foreign Ministers can do anything to restore freedom and independence to the

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people of Korea I shall send them my grateful thanks from heaven."

Alarmed at the awkward publicity given to their method of securing a treaty of friendship, the Japanese issued from their Legation at Seoul an official account of the course of negotiations. The narrative differs materially from that supplied to me by Koreans, by members of the foreign Legations who were in the vicinity of the palace on the night of November 17, and by the Emperor himself.

"Several days' conference between Marquis Ito and Mr. Hayashi, on the one hand, and the Korean Ministers on the other, convinced the latter that in consideration of the peace of the Far East and the situation occupied by Korea, the conclusion of the new Convention was inevitable. Nevertheless, it is true that when, on November 17, the Ministers assembled in the palace, the Prime Minister, Mr. Han Kiu Sul, declared himself radically opposed to the Convention, and, with the exception of one or two of his colleagues, all refrained from addressing to the Throne any declaration of conviction that the Convention should be concluded.

"It is further true that, although the Emperor of

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Korea was persuaded by his interviews with Marquis Ito and by the latter's careful explanations that the Convention was necessary, his Majesty nevertheless expressed a desire that certain modifications tending to the advantage of the Empire and the Throne's position and dignity should be introduced, and that a postponement should be made for the purpose. He did not, however, endorse the opposition offered by Prime Minister Han and his fellow-thinkers, but, on the contrary, repeatedly directed them to come to an amicable arrangement with the Japanese plenipotentiaries.

"The latter, on their side, stated that while they were willing to introduce any suitable amendments offered by the Koreans, they could not agree to postpone the conclusion of the Convention, inasmuch as, in their opinion, circumstances did not admit of delay. Therefore, they suggested that the conference should be resumed in the evening of the same day.

"This was done, and on that occasion nearly the whole of the amendments proposed by the Koreans were embodied in the Convention with Marquis Ito's approval. This was not all. For, at the Emperor's direct desire, a new clause was inserted at the end of

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the Convention—the clause guaranteeing the safety and prestige of the Throne.

“These facts show clearly that the Convention, as finally drafted, embodied the ideas of the contracting parties, and had their assent.

“Thereafter, the Minister for Foreign Affairs, Mr. Pak Che Soon, signed the Convention in the presence of all his colleagues, and attached his seal to it.

“Prior to the latter step, and while the discussion of the Convention article by article was going on, the Minister for Foreign Affairs telephoned many times to the Foreign Office for his seal. But the custodian of the seal happening to be absent, it was not until two hours had elapsed that the Chief Secretary arrived with the seal. During the interval between the Foreign Minister's signature and the arrival of his seal, the Emperor expressed to Marquis Ito his satisfaction that an amicable agreement had been reached, and announced his intention of retiring to rest with a tranquil mind, which step he recommended to Marquis Ito also. The Marquis accordingly withdrew before the final conclusion of the Convention.

The Resentment of the Koreans

"As for the statements that force was employed by the Japanese, the only exhibition of force was that, in view of some indications of disturbance, steps were taken to guard the Japanese and Korean plenipotentiaries on their return from the palace."

This document was sent to the representatives of the Powers as the authoritative account of the negotiations. To translate the passionate utterances of men, declaring their determination to die rather than to sign the proposed articles, into "all refrained from addressing to the Throne any declaration of conviction that the Convention should be concluded," is a triumph of diplomatic euphemism beyond the compass of the mere Western ambassador.

At the banquet given in his honour by the Japanese residents of Seoul and Chemulpo, Marquis Ito said that he had been received by the Korean monarch in an audience which lasted four hours, and he had then explained to his Majesty, in the fullest manner, the present situation and the future eventualities of Korean foreign affairs. "He explained Japan's true intentions, and cleared away the Emperor's misgivings, if he had any."

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As the suicides continued, and the people kneeling on their mats in petition before the gates of the palace would not get up, Marquis Ito called together the Japanese and Korean journalists present in the capital, and once more explained the situation. He said, "Though Japan has assumed the charge of Korea's foreign affairs, the Emperor of Japan has sent me as his special Ambassador to convey to the Korean Court a solemn assurance of the preservation of its safety and prestige. The machinery of administration remains as before under the control and direction of his Majesty the Emperor. I have pointed out to the Emperor that the vicissitudes of the time render the surrender of the direction of Korea's foreign affairs to Japan inevitable, and that as soon as Korea's development has become assured, it is the earnest desire of the Japanese Government to restore it to her."

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Japan deliberately chose her own ground with reference to Korea. In her Declaration of War she affirmed the need of maintaining it as a buffer State: "The integrity of Korea is a matter of great concern to this Empire, not only because of our traditional relations with that country, but because the separate

The Resentment of the Koreans

existence of Korea is essential to the safety of our realm." With that assurance she sent to Europe and to America for funds with which to conduct the war with Russia.

To Korea herself Japan had given the most solemn promises to preserve her integrity and to refrain from interference with her internal affairs. In the protocol of April 25, 1898, Japan "definitively recognized the sovereignty and entire independence of Korea," and with Russia "mutually engaged to refrain from all direct interference in the internal affairs of that country."

In the treaty of February 23, 1904, concluded thirteen days after her Declaration of War, Japan had laid it down that "for the purpose of maintaining a permanent and solid friendship between Japan and Korea, and firmly establishing peace in the Far East, the Imperial Government of Korea shall place full confidence in the Imperial Government of Japan, and adopt the advice of the latter in regard to improvement in administration." Her guarantees were definite and solemn undertakings: "The Imperial Government of Japan shall, in a spirit of firm friendship, ensure the safety and repose

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of the Imperial House of Korea. The Imperial Government of Japan definitively guarantees the independence and territorial integrity of the Korean Empire."

Korea had "placed full confidence" in these promises, and on the conclusion of the Convention in the manner and by the means I have detailed, had the satisfaction to read in the official and semi-official Press of Japan articles entitled "Japan and her new Dependency." The writer of one of those articles, lying before me, Ginkun Matsumoto, an eminent barrister-at-law, concludes an historical review of the relations existing between the nations from the days when the Korean, Achiki, brought the first books into Japan, as follows: "It is scarcely necessary to maintain that of all external troubles the Korean Question has been the most knotty problem during the glorious reign of our Emperor, but the uncontested statecraft of Marquis Ito has put the whole of the Korean Peninsula under the yoke of the Island Empire, and has brought those chapters of blunders perpetrated in Korea by the Tokio Governments to a glorious close. He has acquired for Japan all the powers of external sovereignty over

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Korea. Therefore, it is but just and most natural that at this moment even his political opponents are vying with his colleagues in extolling the genius and great tact of Marquis Ito."

Count Okuma, the leader of the Opposition and lifelong political rival of Marquis Ito, in an interview at this time gave voice to certain significant sentiments: "The Convention having been signed, and the Korean problem theoretically solved, we must pay attention to the practical parts of that problem. The responsibility of administration has been taken from the shoulders of the Emperor of Korea and his Ministers, and has fallen on those of our Government. It is the duty of the Japanese Government to improve the legislation and administration of Korea, and to save her people from their misfortunes. As for the Emperor and the nobles, we must protect their properties and relieve them from any fear or doubt. Whoever is appointed to the post of Resident-General must be one who will not endeavour to gain material benefits in too short a time. (If he be hasty on that point, he will incur a great failure. These benefits must be distributed among a great number of the

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article*

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Japanese. They ought not to be given to a few persons who are intimately connected with the men in office.")

Korea lay open to the exploitation of men of all parties in Japan.

CHAPTER XII

THE KOREAN EMPEROR'S REPUDIATION

WHILE Marquis Ito was conducting his negotiations with the Koreans in Seoul, Baron Komura was engaged in a duel of Oriental subtlety with Yuan Shi-kai at Peking. I was watching the proceedings. My interest in matters Korean was roused by the parlous state of the unfortunate representative of his country who occupied the great bare legation building that once had housed the Minister of the United States.

The poor man was without funds, and currently believed to be starving. To him came one day an emissary from Seoul with money in silver shoes. The treasure was displayed before the hungry eyes of the Korean, and an appointment made for the following morning at ten o'clock for its transference to the empty coffers of the Legation. It happened that the courier was a sportsman and, when occasion

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offered, a gambler. In a back lane of Peking was a tempting roulette wheel, tended by an American. To it, after dinner, went the Imperial messenger. He played long and lost heavily. Next morning, punctual to the moment, the starving diplomat arrived to carry off his money. The courier was gone, had left by the eight-o'clock train for the South, and the silver shoes lay in the safe of the American gamester. The incident seemed to me an allegory of Korea's fate.

From Peking I travelled to Shanghai, and was fortunate in having as companions on the voyage Mr. McLeavy Brown, now Sir John McLeavy Brown, and another ex-Commissioner of Korean Maritime Customs. By the time I reached the Bund I had learned much that previously was hidden from me in the affairs of Korea. In Shanghai I was further fortunate in meeting with agents of the Emperor who could open the avenues of investigation for me in Seoul. Through them I was put in direct communication with the Palace.

In Yokohama I had an opportunity, while dining with the late American Minister to Korea, the Hon. Edwin V. Morgan, on the eve of his departure for

The Korean Emperor's Repudiation

Washington, to glean more of the truth with respect to the events of the dark night of November 17. In Yokohama and in Tokio much was told me of the uses to which Japan was turning her new Convention with Korea, and I left with letters that could not be entrusted to the mails.

From Kobe I travelled to Seoul with Mr. Tsuruhara and his suite. Mr. Tsuruhara had been appointed Principal of the Bureau of Superintendence under Marquis Ito, the Resident-General. He was accompanied by his police captains and the heads of his Secret Service. Those officials whiled away the days of the journey by questioning me as to my purpose in visiting Korea, and by cross-examining my Chinese servant in search of corroboration. At every station on the long railway journey from Fusan to Seoul deputations of Japanese met the official party, presented addresses, and made obeisance. Schools of Japanese children were paraded on the platforms. Japanese gendarmes guarded the train and the approaches to the stations. Everywhere the insistent red-rayed flag of Nippon proclaimed the triumph of Marquis Ito's "genius and great tact." Outside, in the icy cold, forbidden to enter

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the precincts of the stations, the Korean peasants stood dumbly contemplative of the passage to power of the representatives of that country which had sworn to preserve to them intact the independence and the integrity of the Empire.

Arrived in Seoul, I was speedily brought into communication with the Emperor. The Palace was a hotbed of Japanese spies. The Emperor himself lived in daily dread of assassination. He was cut off from all his friends. Subjects, with the hereditary right of audience, were stopped at the gates by Japanese guards, and sternly forbidden to enter. One poor old man, held in profoundest veneration by the Koreans for his learning and his scholarship, was so humiliated at his treatment by the soldiers that he shrunk home, took poison, and, turning his face to the wall, bade farewell to a world in which he might no longer live without shame.

Two months before Marquis Ito had taken unction to his soul for having included in his treaty the clause: "The Government of Japan undertakes to maintain the welfare and dignity of the Imperial House of Korea."

The first message I received from the Emperor

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was a piteous appeal to do all in my power to save him from assassination. Day and night he had before his eyes the picture of his murdered Empress, her slashed and bleeding body thrown into a blanket, carried to a corner of the Palace grounds, and burned. The men who had compassed her death ten years before were little likely to respect his life now should it embarrass them in their projects.

So much had been made by Japan, and by the advocates of Japan, of the unreliability of European witnesses in Korea, that I determined from the outset to avoid them as avenues of information. The Emperor and the Emperor's word alone could avail as evidence of his country's treatment at the hands of the Japanese. The difficulty was to approach him, because I was watched day and night by the most efficient Secret Service in the world.

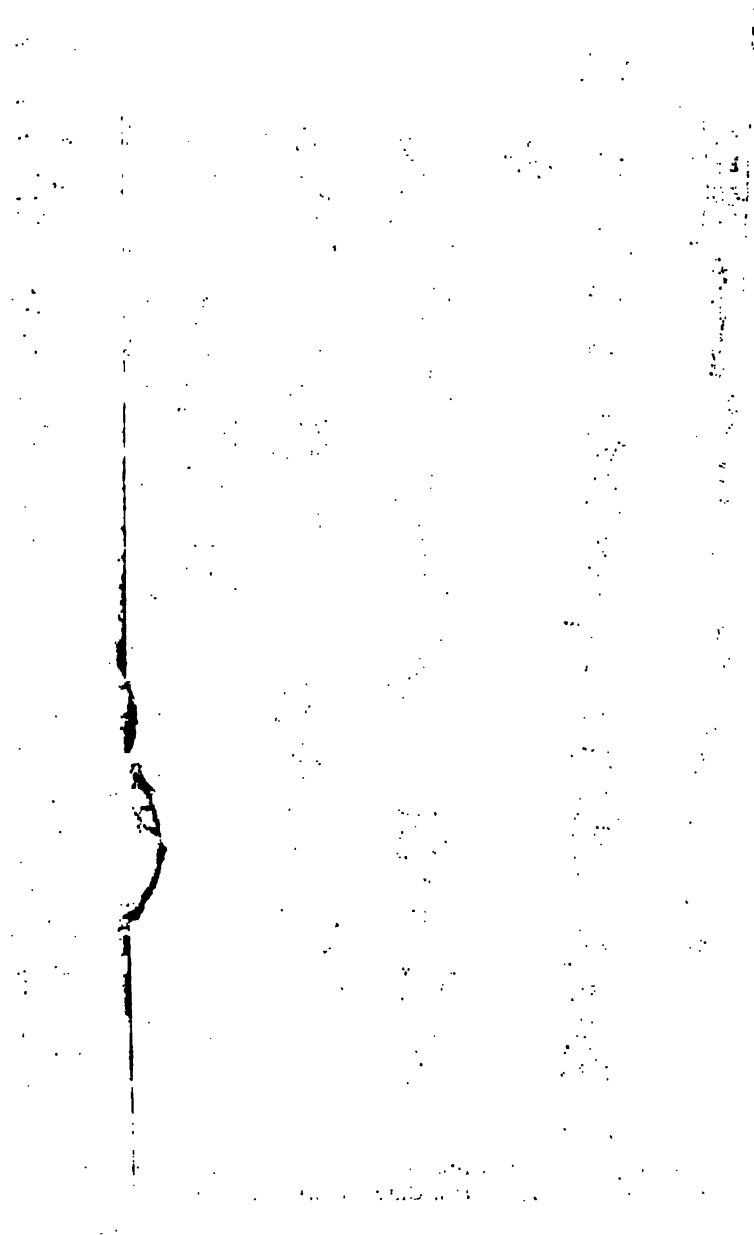
A Palace attaché, who of necessity had the entrée to the Imperial apartments at all hours of the day and night, was my emissary. By his hand letters were carried to and from the captive Emperor. Deprived of his advisers, in dread of violent death, he hesitated to put his seal to any document that might compromise his position. Still, he was alive

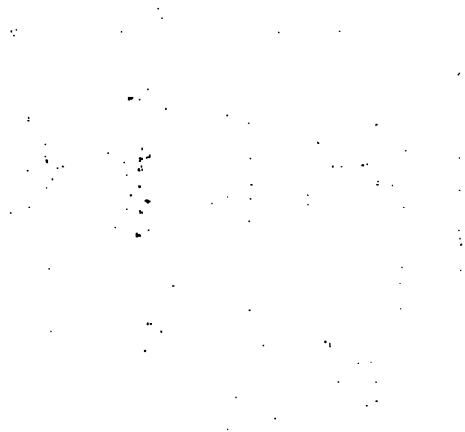
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to the fact that only a plain statement, issued with his definite authority, could in any way relieve the situation. For days he carried in the leg of his padded Korean trousers the letter he desired me to publish. In the night hours he would take it out and discuss its provisions with the body-servant who alone had access to his person. Through the same channel he communicated with such of his Ministers as could be approached without arousing the suspicion of his Japanese masters.

Nominally staying at an hotel, I was, at this time, living the life imposed upon one by Oriental intrigue. Night after night I slept at different houses of the city, and in the hours of darkness I learned much that did not penetrate within the walls of the foreign Legations.

In the cold of the January morning I was roused, a little after four o'clock, by my Palace messenger, who produced from his clothing the letter of the Emperor. It bore the Imperial seal in red, and was a document more valid than the treaty with Japan, which was signed without the Emperor's consent, and in direct opposition to his orders, by a bare majority of the terrified Cabinet of Ministers.





The Korean Emperor's Repudiation

The letter consists of six definite assertions, and establishes Korea's position before the world—

"I.—His Majesty the Emperor of Korea did not sign or agree to the treaty signed by Mr. Hayashi and Pak Che Soon on November 17, 1905.

"II.—His Majesty the Emperor of Korea objects to the details of the treaty as published through the tongues of Japan.

"III.—His Majesty the Emperor of Korea proclaimed the sovereignty of Korea, and denies that he has by any act made that sovereignty over to any foreign Power.

"IV.—Under the treaty, as published by Japan, the only terms referred to concern the external affairs with foreign Powers. Japan's assumption of the control of Korean Internal Affairs never has been authorized by his Majesty the Emperor of Korea.

"V.—His Majesty the Emperor of Korea never consented to the appointment of a Resident-General from Japan, neither has he conceived the possibility of the appointment of a Japanese who should exercise Imperial powers in Korea.

"VI.—His Majesty the Emperor of Korea invites

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the Great Powers to exercise a Joint Protectorate over Korea for a period not exceeding five years with respect to the control of Korean Foreign Affairs.

"Done under the hand and seal of his Majesty the Emperor of Korea, this 29th day of January, 1906."

Possessed of the letter, I left the native house in which I had waited my emissary, and hurried in the darkness to the home of a friend. Such documents are awkward possessions in the East, and it was necessary at once to prove its authenticity and to place on record a copy of its provisions. For the first time I took into my confidence a European, and before two witnesses made copy of the letter, sealed it, and left it in a place of safety. When I returned to my hotel I found that my despatch-bag had been broken open and its contents ransacked.

That night, as I rode with the American Consul-General through the city gate, a rifle was fired from the darkness close alongside, the bullet whizzing past my ear to bury itself in the stonework. Apparently Seoul was growing inhospitable. I decided to leave with the earliest steamer.

For six consecutive days, on one pretext or

The Korean Emperor's Repudiation

another, the departure of the steamer was prevented. The cold was intense, and the ice stretched out to sea miles beyond the spot at which the vessel was lying. At length the captain of the miserable, iron-decked Norwegian tramp steamer took the law into his own hands, and, despite telegraphed orders from Seoul, weighed anchor, and we broke our way through the ice to the waters which made our path to China.

At Chefoo, after cabling to London, I carried the Emperor's letter to the British Consul-General, Mr. O'Brien-Butler, one of the best Chinese scholars in the East. Mr. O'Brien-Butler made a careful copy of the document and a tracing of the seal for transmission to the British Minister at Peking—and my Korean mission was ended.

CHAPTER XIII

MARQUIS ITO

ONE night in the autumn of 1901 I joined the New York express at Montreal. Next morning, as I sat in the dining saloon, I turned from contemplation of the crimsoned slopes of the Adirondack Mountains to observe a party breakfasting at the table next to mine.

They were Japanese, and my attention was held by him to whom most deference was paid. Stockily built even for a Japanese, his sallow face, fringed with a straggling black beard, was lit by a penetrating pair of impenetrable black eyes. Very quietly, very unostentatiously, the party pursued their meal, and I was left to study the greatest man Japan had produced in her history—Hirobumi Ito, four times Prime Minister, framer of the Constitution, closest friend of the Emperor, actual arbiter of the destinies of Japan.

Marquis Ito

Five years ago Japan occupied a very different position in the world's estimation from that which she holds to-day, and I question if any one in the train realized the identity of the little, black-coated foreigner save myself. Marquis Ito was travelling altogether unofficially, and his passage through America failed even to attract the attention of the ubiquitous newspaper interviewer. Not once, however, has the President of the Mikado's Privy Council crossed the sea without a definite and a far-reaching object in view. Thirty-eight years before, in 1863, in company with Count Kaoru Inouye, he defied his country's laws, stole away to Shanghai in the guise of a common sailor lad, and thence made his way to England, where he spent the whole of the year 1864 in study.

The news that the squadron of the allied European Powers was about to bombard Shimonoseki reached the young men in London, and both hastened back to their country's defence. Their reception was anything but a cordial one. They were denounced as renegades who sought to sell their country to the "red-haired barbarians." Count Inouye was waylaid, terribly wounded, and narrowly escaped

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death. Ito's first voyage had taught him the peril in the prejudice of his fellow-countrymen, and foreshadowed the stormy days they must pass through to attain to the proud position of a first-class Power.

Ito's second visit to England was in 1871 as Junior Plenipotentiary in Lord Iwakura's special embassy to obtain the revision of the treaties previously entered into between his country and the Powers. The result of this visit was the Japanese Banking Regulations, which were issued in 1872 and embodied the conclusions of Ito's investigations into the methods used abroad. He based his system chiefly on the American model, and so gave his people a practical scheme of scientific finance upon which to construct a modern empire.

In 1881 the Mikado made solemn proclamation that ten years from that date he would inaugurate government upon the representative principle. The following year Marquis Ito, with a party of earnest publicists as assistants, was despatched to Europe and America to study and report upon the systems of government that found favour in the West. His principal teachers were Gneist, of Germany, and Stein, of Austria. Twelve months of investigation

Marquis Ito

provided him with the material upon which to reform the Government of Japan, and Ito returned to reorganize the composition of the Cabinet and the administration of the various Departments of State preparatory to the proclamation of constitutional government.

Twenty years later, in 1901, Ito was once more embarked upon a journey, but to every inquiry the same answer was returned: "The President of the Privy Council is engaged in no political mission, but is journeying purely as a private person for his own amusement."

Some days after the *rencontre* with the marquis in the dining saloon of the New York express, I was present at Yale University when the little Japanese pattered by the side of the stalwart President Roosevelt to receive the honorary degree of LL.D. Still he was only a private gentleman of acknowledged intellectual attainments, and his mission remained a mystery. It was not until January, 1902, that the true inwardness of Ito's voyage over-seas was laid bare to the world with the publication of Lord Lansdowne's first treaty of alliance.

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Marquis Ito had other matters to consider, however, than the conclusion of an alliance with Great Britain. Japan had resolved upon war with Russia, and it was necessary that the statesman who would then advise his Emperor should thoroughly understand the character and power of every contemporary leader in the Great Powers of the West. With that object in view he made the tour of the capitals, and studied, as only a Japanese can study, the psychology of the men in power. As Bismarck had done before the outbreak of the Franco-Prussian war, so Ito pried into the brain of every Foreign Secretary in Europe, and returned to his Emperor with the information that secured the successful flotation of his war loans and shut the pockets of the bankers to his prospective enemy.

In St. Petersburg, Marquis Ito called upon Count Lamsdorff, and, if my informant, who accompanied him on that occasion, be correct, he then tentatively suggested an alliance with Russia, which would have obviated the war and changed the history of the world. The proposition, however, was scornfully rejected by the Russian Minister for Foreign Affairs, and the little Japanese retired to perfect his plans

Marquis Ito

for effectively breaking Russia's power in the East.

Ito, strong as a statesman, in private life is beyond reproach. His life, his talents, and his fortune most freely have been consecrated to the State. Born, the only child of a petty clansman of the Lord of Choshu, on September 2, 1841, he was early signalled out as the trusted lieutenant of Kido, the one-time leader of the Choshu clan. On the inauguration of the Imperial Government, he was made Governor of Hyogo, and in the following year was appointed vice-Minister of Finance. In addition to his missions to Europe, Ito concluded the Tientsin Agreement with Li Hung Chang in 1885. In 1895 he concluded peace with China in common with the same envoy. Russia's seizure of Port Arthur very nearly cost him the favour of the more aggressive public, but his lifelong service to the nation has earned the undying gratitude of every Japanese patriot. As he himself has said, he has spent thirty-five years of his life "always trying to help, and sometimes even to force on measures necessary for the growth of Japan."

Ito's willingness to "force on measures necessary

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for the growth of Japan" has earned him the one reproach the Western historian will cast upon his career. His attitude towards Korea has been neither open nor benevolent; but Ito is an Oriental, and much may be forgiven to a man who has carried his nation to the position of a first-class Power, who has always considered his country before himself, and who, despite his countless opportunities to enrich himself, will die a poor man.

I last saw Marquis Ito on the railway platform at Tokio, a simple little figure in black, surrounded by the brilliantly uniformed admirals and generals who had given effect to his policy in Manchuria, at Port Arthur, and in the Tsushima Straits. He had grown older, a little greyer, with the thin beard a little sparser, but his eye was as keen and as inscrutable as ever. To him every great man of his nation made obeisance, for each of them—soldier, sailor, statesman, and financier—had been but the agent of his brain in the great work which had raised a barbaric State into one of the Great Powers of the earth.

CHAPTER XIV

BRITISH DISABILITIES IN KOREA

To the British mind the matter of supreme interest in considering the future in Korea is not the sentimental distress of the natives at the involuntary transformation of their independent Empire into a Dependency of Japan. The question is: Have British interests suffered through the illegal assumption by Japan of a Protectorate over Korea?

According to the Agreement signed at London on August 12, 1905, by Lord Lansdowne and Viscount Hayashi, "Japan possessing paramount political, military, and economic interests in Korea, Great Britain recognizes the right of Japan to take such measures of guidance, control, and protection in Korea as she may deem proper and necessary to safeguard and advance those interests, provided always that such measures are not contrary to the principle of equal opportunities for the commerce and industry of all nations."

To maintain her claim to "paramount economic

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interests," Japan stated that Korea imported over 80 per cent. of her foreign goods from Japan, and quoted Customs returns to show that, in 1904, out of a total of £2,680,538, goods to the value of £2,038,900 came from Japan. She did not state, however, that all goods transhipped at Yokohama were accounted Japanese, neither did she point out that the carrying trade of Korea was almost entirely Japanese, and that of a total tonnage of 1,392,473 entered at Korean ports in 1904, 784,436 were Japanese.

In the last four months of 1904, Sir John McLeavy Brown made a private investigation into the foreign imports at Chemulpo according to their nationality of origin. The result of his inquiry is instructive, and should give food for thought to those who so readily acknowledged Japan's paramount interest.

Foreign imports at Chemulpo, September to

December, 1904 :—

| | | | | | |
|----------|---|---|---|---|---------|
| | | | | | £ |
| Japanese | . | . | . | . | 267,008 |
| British | . | . | . | . | 225,219 |
| Chinese | . | . | . | . | 84,656 |
| American | . | . | . | . | 47,171 |
| German | . | . | . | . | 13,508 |
| French | . | . | . | . | 2,661 |

British Disabilities in Korea

During the same period the importation of cotton goods showed the following proportions:—

British, 60·90 per cent.

Japanese, 37·73 per cent.

Mr. Megato, the Japanese Financial Adviser to Korea, in his last report, dated November, 1905, foreshadowed the establishment of the Japanese tariff in Korea—contrary to treaty stipulations. The introduction of the Japanese tariff would practically close Korea to foreign countries shipping their goods direct, and it rests with Great Britain, the country principally interested, to maintain the “principle of equal opportunities for the commerce and industry of all nations.”

More important to Great Britain than even her commercial stake in Korea is her interest in the mineral resources of the country. Britain and America early proved their faith in the natural wealth of Korea by investing money in mines and in developing her latent riches. As has already been demonstrated, two millions sterling of British capital have been sunk in *bonâ-fide* enterprises. The money was welcomed by the Koreans, and the farthest developed of the corporations has paid

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an annual dividend of 10 per cent. on a capital of £1,000,000.

So soon as Japan, by the tacit consent of the Powers, had secured control of Korea's internal affairs, she set about devising obstacles to the development of legitimate British and American interests. In this endeavour she was assisted by Mr. D. W. Stevens, an American, who for years had been in the employ of the Japanese Government, and who, on the compulsory retirement of Sir John McLeavy Brown, became the nominal custodian of European interests in Korea. Mr. Stevens' first act was to publish to the world a refutation of the statement that coercion was used by the Japanese to secure the signing of the Convention of November 17, 1905. His denial was robbed of its significance by the fact that he was not present in the neighbourhood of the Palace on the critical night, and it has since been absolutely discounted by the independent testimony of witnesses of different nationalities in a position to speak with definite authority.

One of the first results of the seizure of control by Japan was an outrage committed by Japanese soldiers upon Mr. A. R. Weigall, a British mining engineer of

British Disabilities in Korea

repute, his wife, and upon Mr. W. W. Taylor, an American engineer, engaged upon survey operations in the neighbourhood of Heui Chieng, on December 4, 1905. I have lying before me a mass of original documents and affidavits in English and Korean relating to this incident.

Briefly, on December 4, the party, having their passports and proofs of identity in proper order, were proceeding quietly on the journey when they were stopped by soldiers, interrogated, submitted to insult, and eventually arrested at the point of the bayonet. Mrs. Weigall was insulted in terms that in Great Britain would be impossible, and which in Oriental countries represent an outrage beyond words to express. The insult was such that Mr. Weigall's Korean boy, Cho, gravely said, "Master ought to kill that man for the things he says about my mistress. The words are very bad."

The outrage, however, was not confined to words, but, to quote Mrs. Weigall: "At the foot of a steep hill the Japanese caught up with us. The first soldier ran past Mr. Taylor and me, and caught my husband by the arm, pointing back to the town. The second soldier, in passing me, caught me roughly

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by the arm and swung me round. I threw off his arm, and said, 'How dare you touch me?'

"By this time he was a couple of paces in front of me, and, turning, he struck me in the breast with his fist. My husband rushed at him as though to strike.

"Mr. Taylor yelled out, 'For God's sake don't hit him!'

"My husband stopped, and demanded of the Japanese what he meant by striking a woman. The soldier muttered something, and, cocking his rifle, levelled it at my husband's chest, with the bayonet a few inches from his body. I saw that the man was mad with rage, and had completely lost control of himself. I swear that I absolutely believe that if the first soldier, who was standing almost beside him, had not dashed forward and caught his arm he would have fired. My husband immediately took out his pocket-book and wrote a short account of what had happened. For a full minute the soldier kept his weapon levelled at my husband's body. He then did something to his rifle, which, I presume, was unlocking it, but during the whole time my husband wrote he threatened him with his bayonet.

British Disabilities in Korea

"When Mr. Taylor and I had signed the statement drawn up by my husband we were marched back through the town."

Of the other indignities suffered by this party, travelling with British and American passports, through Korean country, in which they had been guaranteed "equal opportunities for commerce and industry" only four months before, there is not space at my command to detail. The important fact is that affidavits respecting them having been presented to the British Chargé d'Affaires at Seoul, Mr. Henry Cockburn, on January 4, 1906, wrote as follows:—

"British Legation, Seoul,

"January 4, 1906.

"SIR,

"I beg to inform you that I have this afternoon received from the Japanese Minister an official reply to the representations I made to him on December 22 with regard to the treatment of Mrs. Weigall and yourself, on December 4, at Heui Chon.

"He informs me that General Hasegawa, in whose hands he placed the matter, asks him to express to me his sincere regret for the conduct of some of the soldiers under his command, and states

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that they have been strongly reprimanded for their behaviour.

"The Japanese Minister adds that he, on his part, joins General Hasegawa in expressing his regret for the incident, and hopes that you and Mrs. Weigall will accept these expressions of regret.

"I do not consider this an acceptable settlement of the case, and I am again addressing the Japanese Minister with regard to it, and have also telegraphed the substance of his letter to his Majesty's Ambassador at Tokio.

"I have the honour to be, sir,

"Your obedient servant,

"HENRY COCKBURN.

"A. R. WEIGALL, Esq."

The following day Mr. Weigall, in the course of his acknowledgment, wrote: "I beg to say that both Mrs. Weigall and myself refuse to accept the expression of regret offered by General Hasegawa and the Japanese Minister as an acceptable settlement of the case. Not only were gross indignities inflicted upon us, but it was very nearly a question of life and

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death, and we hope that, having laid all particulars before you, our position in declining to accept the apology offered will not meet with your disapproval."

Having failed to obtain any adequate punishment of the officers and soldiers concerned in the affair, Mr. Weigall proceeded to Tokio, and laid the matter before Sir Claude Macdonald, his British Majesty's Ambassador at the Court of the Mikado. After lunch they proceeded together to the Japanese Minister for Foreign Affairs, who said that "surely every one must be convinced of the politeness and moderation of the Japanese soldiers during the war," and deemed the matter thereby settled without further comment.

Writing to me upon the affair, Mr. Weigall says: "I quite realize that Korea is small, is very unimportant, and very far away from England, and I know that such stories as mine must sound very sensational and improbable—even incredible—to home-keeping Englishmen, but they are very real and very serious to us out here. Such phrases as 'open door' and 'equal opportunity' are a mockery. I can shut my eyes and recall the scene now—the

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bleak, bare hill; the shivering mafoos cowering behind their ponies; the Japanese soldiers converging from all sides. When one looks down the muzzle of a loaded rifle into the panting face of the savage behind it, waiting for the report, one wonders what is the real meaning of the treaties under which we pursue our legitimate vocations."

I have dwelt long upon Korea, and I have not adduced a tithe of the evidence in my possession, but one instance of the disabilities under which British subjects act as a consequence of the Convention of November 17, 1905, may avail more than much writing.

In presenting a somewhat pessimistic forecast of the future in Korea, as viewed by British eyes, it need only be said that on September 15, 1906, the Japanese issued a series of mining regulations for use in Korea which act adversely to British interests there; that nothing in the Convention of November 17, 1905, authorizes Japan to assume control of these purely internal matters of administration; that, at a time when all foreign engineers were excluded from the mining areas of Korea, the Japanese landed one hundred and forty-one engineers at Gensan,

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under pretence of carrying out Government surveys, and that material to the value of \$180,000 was imported to aid these engineers in securing valuable properties, before "equal opportunity" to compete was given to the representatives of other nations.

Japan's policy has been to humiliate the rest of the world in her invasions (economically) in Korea 2nd Chapt & provinces.

CHAPTER XV

OUTLANDER GRIEVANCES

IT is a truism that Japanese commercial morality is lax. It is not sufficiently realized, however, that the Japanese Government is itself a partner in every great trading concern of the country. It is impossible to discover where the Government interest begins and where the private control ends in such great enterprises as those of the Mitsui, the Nippon Yusen Kaisha, the railway companies, and the mining ventures in Manchuria and Korea. Japan aids with money, with official protection, and, where necessary, with soldiers and police, her traders in their competition with foreigners in the countries in which she swore to maintain the "principle of equal opportunities for the commerce and industry of all nations." Those anomalies have been laid, time and again, before the British Ambassador at Tokio and before the British Minister at Peking.

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Such protestations, however, are coldly received by the representatives of British interests in the Far East.

One typical instance lies before me now. A British mining engineer in February, 1906, applied to Sir Claude Macdonald for permission to visit Southern Manchuria. He was told he must at once abandon the idea. The Japanese had notified the British Embassy that no one would be allowed to enter any portion of Manchuria occupied by Japanese troops with the exception of military attachés and officers of the army and navy provided with proper papers and proofs of identity. The applicant replied that this was manifestly unfair, as the Japanese were crowding into Manchuria in their thousands, and possessing themselves of every kind of property. The British Ambassador replied that he was certain this was a mistake, he had been officially informed that the Japanese were scrupulously dealing out fair treatment to all alike, and while they were not allowing British subjects in, they were keeping Japanese subjects out. On being pressed to take action, at least to the extent of independently informing himself of the situation,

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Sir Claude Macdonald replied that he would lay the matter before the authorities if the applicant would bring to his notice "absolute proof, such as will be accepted by the Japanese," of discrimination in the treatment of "the commerce and industry of all nations." There the matter rested, so far as the British Ambassador was concerned.

In June, 1906, the Shanghai Branch of the China Association despatched a special mission to Manchuria to inquire into trade conditions there. The mission reported, in a memorandum which was laid before the British Foreign Office, as follows:—

"The Japanese are unquestionably taking advantage of their military occupation and the tardiness of the Chinese Government to introduce their goods throughout Manchuria, and they will become more strongly entrenched the longer this province remains under their control. The Powers should therefore be urged, through the usual channels, to use their good offices in expediting the time when the Chinese will assume jurisdiction, and also in concluding arrangements whereby the important port of Dalny, through which the Japanese, in the absence of a Chinese Customs station, are now bringing in their goods not

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only free of import duty, but free of all likin charges to any point in the interior where transportation can be effected by rail, will be placed on a basis similar to the port of Tsing-tao, namely, open to the trade of all nations, and a Chinese Customs station established for the purpose of collecting the customary duties on the goods passing out of Dalny into Manchuria."

On September 15, 1906, a new mining law was promulgated in Korea which adversely affects all foreigners who have invested money in the development of the country's resources. Incidentally, it provides an excellent example of Japanese methods of avoiding direct charges of discrimination in the territories it assumes to control. So long as Sir Claude Macdonald demands "absolute proof, such as will be accepted by the Japanese," unfair treatment of British and American enterprise will continue in Manchuria and Korea.

The mining law of September 15 was published with the authority of the "Korean," not the "Japanese" Government. As every Minister of the Korean Government is nominated, appointed, and controlled by the Japanese Resident-General, the significance of the evasion of responsibility is obvious.

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In Korea, as elsewhere throughout the world, a portion of the mineralized lands was owned by the Imperial House. The Ministers sought to retain those properties for the Emperor, who expressly had been promised the maintenance of "the welfare and dignity of the Imperial House of Korea" in the disputed treaty of November 17, 1905, upon which Japan bases its sole right to interfere in the affairs of his Empire. The Ministers, however, could not withstand the pressure of the Resident-General, and, unwillingly, they had to relinquish the control of the Imperial mines to Mr. Kato, the Japanese adviser of the Household Department. This constituted a grave breach of the treaty which Japan had herself designed, and which at the point of the bayonet she had coerced a bare majority of the Korean Cabinet into signing.

In the months that have passed since the signing of Lord Lansdowne's treaty with Japan and Marquis Ito's treaty with the Foreign Minister of Korea, all European and American engineers and prospectors have been forced to provide themselves with passports before engaging in an expedition up-country. Those passports could only be obtained by application to

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the Japanese Resident-General through the Consuls-General of the applicants' respective nationalities. In those applications the sections of the country to be visited and the routes to be traversed in going and returning had to be defined. By this means the Japanese authorities were at once provided with exact information as to the particular districts about to be examined, and could utilize that information as they thought fit. The engineer, provided with his passport, was bound to present it to any Japanese—not Korean—soldier or gendarme he might encounter on his journey. Those Japanese had it in their power to retard or absolutely to arrest the traveller on the flimsiest of excuses. There are instances on record where this was done at the muzzle of the rifle.

Meanwhile, Japanese required no passports, and made no efforts to obtain them. They flocked into the country in their tens of thousands, and located the districts for which later they intended to make application.

The regulations throughout are designed to meet the limitations of the Japanese, and are so framed as to react against the foreign operator. The rentals and royalties are very low. Had they been high, the

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Japanese could not have entered into competition with the wealthier European investors. The extent of land to be covered by any one grant is also intended to meet the circumstances of men of small capital. Those regulations are not in themselves improper, but it is when one comes to examine the conditions under which alone mining is allowed that an effective barrier against European and American enterprise is discovered.

Article VII. of the Mining Regulations enables the Minister for Agriculture—subject to the Japanese Resident-General—to refuse permission for mining when he considers such a step to be necessary “in the public interest, or for any other reason,” without explanation assigned.

Article VIII. allows the Minister for Agriculture—subject to the Japanese Resident-General—to reject an application received at his office in the morning in favour of one received in the evening of the same day.

To all acquainted with Oriental commercial and official morality, the opportunity thus given for an interested party, without any preliminary expense whatever, to reap the benefit of careful investigation

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by expert Western engineers, is sufficient to repel European enterprise.

Article X. provides that no mining right may be sold, assigned, or mortgaged without permission of the Minister for Agriculture. In most countries the transference of a mining property presents no greater difficulty than that of any other form of holding. The registration of the assignment is necessary as a legal protection only. In Korea the regulation permits the Japanese Resident-General to maintain a supervision over all negotiations between operating miners and intending investors, and may well prove fatal to legitimate business.

Article XII. asserts, among other definite causes, that the Minister for Agriculture may revoke a concession that had been "granted by mistake." Such a regulation practically invalidates every title to mining property in Korea.

Article XIII. enables the Minister for Agriculture to confiscate all works and structures, above and below ground, contained in a property the title to which has been revoked. As the Government declines to be held responsible for the acts of its Minister for Agriculture, the likelihood of unprotected

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foreign investors indulging in Korean mining property is somewhat remote.

Article XXI. needs no comment: "The Government shall not be responsible for any damage that may be caused or any loss entailed by any measure taken by the Minister for Agriculture by virtue of the present law or of the detailed regulations for carrying it out."

Article XXVII. expressly gives the Japanese Resident-General complete command of all negotiations entered into by European or American operators in Korea. It reads as follows: "Inasmuch as the measures to be taken under the present law and the detailed regulations for carrying it out will, in many cases, concern foreigners, no such measure shall be decided upon or executed without the previous consent of the Resident-General. This stipulation shall also apply with respect to the mines belonging to the Imperial Household Department."

The Japanese genius for devising reasons for delay and for retarding the competition of the foreigner makes this regulation alone sufficient to keep European and American capital out of Korea. It is in the power of the Japanese Resident-General

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to grant permanent titles to his own compatriots which are withheld from European and American investors. It is in the power of the Japanese Resident-General to refuse permits to all companies that do not submit to Japanese direction, and that do not procure their machinery, material, and supplies from Japan. In the circumstances one turns back to regard with some bitterness Lord Lansdowne's stipulation for "equal opportunities for the commerce and industry of all nations" in the Anglo-Japanese Treaty of Alliance of August 12, 1905.

*This was anticipated and seen
to have been done (see new
article.)*

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From Peking the train bored its way into the interior of China, through the dust-coloured miles of Chihli and Shansi into Honan and Hupei. When my journey was ended I had travelled from west to east 8500 miles, through 140 degrees of longitude, and from north to south 1800 miles through 30 degrees of latitude—every mile of the way by train, though not all at one setting out.

As I sat on the bridge at Yung-tzu, watching the whirling waters underneath, it came to me that in them was, for him who could read, the revelation of the yellow folk who live to north and south of the Yellow River. The river was wide and deep, flowing for 2600 miles through many channels to its destiny, the sea. All invisible to the spectator on the surface were fierce undercurrents that gnawed and fretted at the foundations of the structure which Western genius had fashioned to bridge the flood. Yellow and inscrutable, at intervals of centuries it had chosen to change its bed, had left deep scars on the landscape fifty miles to the northward where formerly it flowed. Tradition told how, in a single night, without warning, the river had altered its course—and each change had meant the death of millions who laboured along its banks.

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No man might say when in its caprice it would change again, making fertile land of what was now a rolling river, sweeping to perdition the millions who depended on its constancy.

As is the Yellow River, so are the people of China. One may as well seek to peer into the muddy waters eddying about the piles of the Yung-tzu bridge, as hope to penetrate the mystery behind the twinkling eyes of the Chinese. Treacherous they may be, unfathomable they unquestionably are to every Western investigator. The man who presumes to interpret the Chinese mind is doomed, his theories are snares, his conclusions perilous pitfalls.

One may spend a month in Peking calling upon the representatives of the Powers, the officials of the Imperial Maritime Customs, the officers of the various European garrisons stationed in the capital, and at the end of the time he will have heard just as many diverse estimates of the situation as the number of authorities he has interviewed. Dr. Morrison, of the *Times*, returned from England. He set about measuring the results of nine months of absence. At the end of many days he came to me, and said, "I

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am all at sea. The more I probe, the more complicated becomes the diagnosis. No two men have agreed upon any one aspect of the case." The wise man confines himself to a simple dictum: There is a spirit of unrest abroad in the land, and none may say into what it will develop.

The Far East is the nursery of Secret Societies. Every trade has its guild—the beggars and the thieves. In Yokohama the beggars own the race-course, regulate its arrangement, administer its finances. We, who are children in such matters, cannot realize the power of combination, the compelling force of passive resistance. No man may labour in China who does not owe allegiance to a guild, who does not obey its behests. The guild may shelter its member from communal or national justice, but the delinquent against its own laws may not escape, though he seek refuge in South Africa's deepest mine or San Francisco's darkest opium-den. The long arm of its vengeance will reach to him and strangle him where he sits.

For centuries the Chinese have lacked common ground upon which to co-operate for national purposes. The guilds jealously have bound together

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within closed societies all who work at a particular trade. The brass-workers occupy their own section of the city, distinct from the district of the carpenters and the quarter of the bricklayers. The family life of the Chinese separates them into clans, which owe allegiance to the senior member of the senior branch of the kindred. The meeting-place is the tea-house or the opium-den. When, on May 10, 1905, five hundred merchants met together in the Canton Guild House in Shanghai to decide upon action against the Exclusion Treaty proposed by the United States, a new cycle opened in Cathay.

The Chino-Japanese War convinced the intelligent Chinese of the feeble nature of the resistance they could set up against foreign aggression. The humiliations to which they were subjected after the Boxer troubles of 1900 proved the low point to which they had fallen in the scale of nations. The Japanese successes over Russia demonstrated that the yellow man, properly directed, could rise triumphant above the disadvantages of his environment. Those matters were pondered all over the Empire, until the educated merchants of the treaty ports, stung by the long-continued illtreatment of the Chinese seeking entrance

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into the United States, determined to use the traditional weapon of passive resistance, and so initiated the American boycott.

The result of the boycott has been practically to stifle American trade in China, but its effects have reached far beyond the limits designed by the sober-minded merchants who met together in Shanghai. For the first time in history the Chinese have discovered a common ground of union which has appealed equally to men of all classes and trades, of all religions, and all sections of the community. Unconsciously the Chinese have welded themselves into a nation.

So soon as the telegram had been received from the meeting in the Canton Guild House calling upon all merchants "to stand by each other in refusing to purchase American goods, thus exhibiting a quiet resistance," similar meetings were held in all the open ports. The assemblies in the north were manly and well-behaved. Those in the southern ports were violent. Canton and Amoy became the storm-centres of the agitation.

Societies were formed. Eloquent speakers were engaged. Campaign literature was printed and

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published. Subsidized newspapers were founded to spread the gospel of boycott. Very speedily the anti-American agitation became anti-foreign. Rule XXII. of the Canton branch of the "Society for opposing the Exclusion Treaty" reads as follows: "Any surplus funds which may be left after the Exclusion Treaty is repealed, and this society dissolves, will be expended in the establishment of a factory and of a public newspaper in Canton for the purpose of carrying on the war of retaliation against the maltreatment accorded to us by foreign nations, and of increasing the prosperity of our own people."

The Reformers quickly realized the enormous importance of the new movement, and as speedily took the control out of the hands of the business men who initiated it. The anti-foreign agitation then became anti-dynastic, and there the straight current of its course became twisted in the seething rapids of Chinese national politics—and these no Western man yet has fathomed.

Yuan Shi Kai, busy with his own schemes for the regeneration of China, early recognized the dangerous proportions of the new force, and sternly forbade its institution in his province of Chihli. On August 31,

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1905, he induced the Throne to issue an edict dealing with the boycott in the following terms:—

“Special Proclamation to Correct Misunderstanding and to Allay General Suspicion.—The Government of the United States has promised to discuss the matter of the Coolie Immigration Treaty on a friendly basis. The proper thing to do is to await the action of the Chinese Foreign Office in the matter.

“The viceroys and governors are ordered to explain this to the people, and if any one in his ignorance causes disturbance, he is to be arrested and dealt with.

“It is not right to forbid the use of American goods or to take such hasty action.

“Let this be known throughout the Empire!”

The Imperial Edict was practically without effect. There have been no arrests, and, in the south, the proclamation was not published even a few miles out of Canton.

The movement has grown out of the limits of a specialized boycott into an anti-foreign agitation, which has for its watchword the legend, “China for the Chinese.” To understand the full significance of

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that motto, it is essential to remember that the word "Chinese" does not include the Manchus, who rule in Peking, who have given a dynasty to China, and who, until the other day, occupied every great office of State in the Empire. The future of China depends upon the interpretation of that rallying cry. The reform and anti-dynastic associations, by means of the machinery of the anti-exclusion societies, now reach and direct social forces which hitherto have lain beyond their control. The Chinese have discovered their ability to act as a unit, and the world waits to learn the purpose to which they will put their new-found weapon.

CHAPTER XVII

THE TRANSPORT PROBLEM

IN China the economic future runs on rails. With infinite labour, by sampan and junk, in carts and wheelbarrows, on the backs of men and donkeys and camels, for generations her treasures have been carried to the sea. In the near future the goods train will replace all these, and China's wealth of coal will be available to the commerce of the world.

It is difficult for the home-keeping citizen to realize that the rails are laid, and, but for the political differences of Russia and Japan, trains would be running to-day from Paris to Tokio with only one insignificant sea-crossing of four hours' duration between Fusan in Korea and Moji in Japan. Still more difficult to the believer in Britain's mission of civilization is the fact that not one mile of the 10,000 miles of continuous line is owned by British capital. Those who sneered at Russia's backwardness at the time of the Battle of Tsushima

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Straits will awake one day to learn that she has stretched steel arms far into Asia, whose action will upset the economic equilibrium of a continent. Russia knows that her expansion must be by land and not by sea, that, whereas Britain's vehicle of trade has been the steamship, Russia's commercial carrier must be the railway wagon. All along the routes of her railways Russia has obtained mining rights which will constitute the coaling stations of the future.

Great Britain has done her part badly in the railway development of China. The exploiters, in the beginning, were the owners of steamship lines, who secured concessions but did not utilize them, preferring to conserve their shipping interests at the expense of railway extension. The control of the world's carrying trade has meant much to British commerce, but in the Orient it is passing out of our grasp into the prehensile hands of the Japanese. When I left China there were a hundred Norwegian tramp steamers, roughly built, cheaply run, laid up for lack of cargo. Encouraged by the high outward freight of the days of the war, they had flocked to the East, and for a time reaped rich harvest. With

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the cessation of hostilities their usefulness ended, the markets were glutted with material, and there was nowhere sufficient cargo to pay for the voyage home. One by one these steamers are chartered or purchased by Japanese, and filled with native crews, are thrust into competition with British-owned vessels for the coastwise trade. Too late, the British abroad have learned the error they made in letting the railway control of China slip from their hands. The Russians, the Belgians, the French, and the Germans have been guilty of no such sin of omission. They command trunk lines which render all belated competition impossible.

China has not been blind to the importance of herself controlling her lines of internal communication. She has refused to grant any additional concessions, and is doing her utmost to secure the cancellation of those already granted. Three years ago the railway in course of construction between Canton and Hankow, which will join the English Channel with the South China Sea in one continuous system, was owned by American capital. In those days I was in Hong Kong, and earnestly urged the need of at once proceeding with the construction of

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the hundred miles of line from Kowloon to Canton, which had been delayed for nearly twenty years by the British corporation holding the concession. The danger threatening Hong Kong, of which Kowloon City is a part, was that a new deep-water port might be found nearer Canton, into which ocean-going ships would put, and there discharge cargo without consideration to the interests of the British colony. The very life of Hong Kong was at stake, but little was done to conserve it.

A few months later the American concessionaires sold their interest to the Chinese, and the European community stood aghast at the situation which confronted them. Under the energetic Governor of Hong Kong, Sir Matthew Nathan, arrangements were made for financing and forcing on the construction of the connecting-link. In the mean time the American boycott had been born, the Chinese had awakened to the realization of their power to combat European aggression, and on April 2, 1906, an announcement was made in the *She Man Po* which carried dismay to the hearts of the procrastinators :—

“The Canton-Amoy Railway is the main line joining the two provinces of Kwang Tung and

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Fokien. H. E. Cheung Pat-Sz, about the sixth or seventh moon last year, discussed with Viscount Shum the method of its construction. Together they drew up twenty-one regulations, which have been sanctioned by their Imperial Majesties through the Board of Commerce.

"On the receipt of a telegram in reply from the Board in the tenth moon, H. E. Cheung left Canton *en route* to various places, first to Whampoa and then to Tsang Shing . . . and took with him surveyors and engineers to survey the route. When the task was completed, in the second moon of the present year, he interviewed Viceroy Shum, and proposed to him that Whampoa should be opened as a treaty port ; there is ample room in the neighbourhood. It is near the water, which is of considerable depth, and the steamers plying between Hong Kong and Canton pass it.

"H. E. Cheung proposed that the construction of the first section between Canton and Whampoa should immediately be put in hand, and that in the mean time an embankment should be erected at Whampoa for the purposes of opening it as an international treaty port. Besides a very large railway

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station, there should be built houses in European style, business premises, Government offices, godowns, and wharves. All these should be carried out after the precedent in Shang-tung, where there is a treaty port opened by China, where all nations are at liberty to carry on business and their ships can freely lie at anchor and be loaded or unloaded. . . . When H. E. Cheung had settled the above with the Viceroy Shum in the conference, he returned to his native place to see about the funds, and as soon as he has collected sufficient money he will come to Canton to commence work. He will begin with the section between Canton and Whampoa, and with all work in connection with the opening of the latter as a treaty port and with the construction of the embankment. In the mean time he will telegraph to the various towns in the Southern Ocean immediately to take up shares in the Canton-Amoy Railway, which is a main line, so that he can continuously work section after section."

To appreciate the importance of this Chinese decision, it is necessary to understand that Whampoa is sixty miles nearer to Canton than Hong Kong, that it will be in direct communication with the

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markets of the interior by railway, that it will form the ocean terminus to the system of railways connecting the Bay of Biscay with the Canton River, and that it can divert to itself all the traffic from Hong Kong for the southern interior without transshipment.

I have lying before me a voluminous correspondence which has passed between Downing Street and those interested in Hong Kong. The communications prove the earnestness of the Chinese determination to enter into direct competition with Europeans, and to build for themselves a rival port to Hong Kong. On August 15, 1906, Viceroy Shum issued a proclamation authorizing the purchase of lands for the railway, and warning the people against interfering with the work of construction.

On September 27, Sir Edward Grey acknowledged the receipt of the "official promulgation of the Chinese Canton-Whampoa Railway scheme," and stated that his Majesty's Minister at Peking had already made representations to the Chinese Government on the subject.

The result of those representations has not been

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communicated to me, but the matter of greatest moment to us contemplating the future in China is that for twenty years a British corporation has held the right to construct a railway which would have rendered this dangerous competition impossible, that no work was done, and that the Chinese now feel themselves capable of directly challenging the prosperity of the greatest shipping port in the world.

What is happening in Canton is occurring elsewhere in the Empire. In the last ten years 4500 miles of railway have been constructed in China, and it is instructive to observe how little of this total is due to British enterprise. I stood with a British mine manager in the south of Shanshi; he pointed to a little line of rail that carried hand-propelled trolleys from the mine to the railway, and said, "That is the solitary mile of entirely British-owned railway in China!"

Of the railway mileage actually completed in China, Russia is responsible for 125 miles, and, in conjunction with China, for 1515 miles. France owns 280 miles, and, in conjunction with Belgium, 750 miles. Belgium possesses, in addition to her

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joint proprietary, 130 miles. Germany has 250 miles of independently controlled railway, and China herself administers 1502 miles; while Great Britain, in association with China under a Loan Agreement of July, 1903, concludes the list with 80 miles.

The future of China depends much upon the development of the railways in China. Her resources may not be tapped without means of communication, and the price of her products rests upon her ability to convey them to the markets at the coast. Richt-hofen calculates the cost of transport by land in China, whether by carts, animals, wheelbarrows, or men, at 7·2*d.* per ton per mile. Mr. Colquhoun puts the cost of carriage in Western China at 1*s.* per ton per mile. The tea-carriers of the interior are paid at the rate of about 1*s.* 3*d.* per ton per mile. Coal in Shantung costs from 1*s.* 7*d.* to 2*s.* per ton per mile. Coal may be bought at the pit-mouth at Pingting-chau for 1*s.* 4*d.* per ton. After being carried eighty miles to the cities of the plain, the same coal costs £3 8*s.* per ton.

In England coal is carried by rail at a cost of from ½*d.* to 1*d.* per ton per mile. In the United

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States coal is carried in Alabama at a rate of 0·2d. per ton per mile.

Those figures demonstrate the part railways must play in the future of China. The facts I have quoted show the meagre part Great Britain is likely to take in that development.

CHAPTER XVIII

SIR ROBERT HART

A GENIUS for organization, an industry that is unremitting, an honesty that cannot be assailed—those three qualities have made of Sir Robert Hart the trustee of European interests in China. No political event for years has so gravely affected those interests as the practical supersession of the Inspector-General of Customs by the anti-foreign mandarins Tang Shao-yi and Tieh-liang.

Tang Shao-yi is one of China's most capable Western-educated officials. For years his intelligence and his education availed him little. He lived precariously on the fees he obtained from Europeans as interpreter, and, only five years ago, he was glad to perform a laborious piece of work for a friend of mine in return for the modest sum of twenty-five taels. To-day, thanks to the practical dictatorship of his protector, Yuan Shi Kai, his legitimate official income

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is £30,000 per annum and his opportunities for squeeze are unlimited.

Tang Shao-yi's hatred of the foreigner is both inborn and acquired. At the time of the Boxer trouble he refused to provide a railway locomotive at the order of an energetic British officer of transport. Promptly seized by the rough hands of Tommy Atkins, he was marched down Tientsin platform with a rope round his neck, and told he would be hanged from the arm of the telegraph-post if the engine were not forthcoming in five minutes. The locomotive was produced, but the mandarin's consideration for the foreigner was not sweetened by the experience. Later, when Sir Francis Younghusband had successfully carried out the British mission to Tibet, Tang Shao-yi was appointed Imperial Commissioner to confer with the Viceroy of India upon the terms of the Treaty of Lhasa. Snubbed by Lord Curzon, he returned to China a disgraced official. His advance in the two years that have elapsed is without precedent in China.

One sunny afternoon, in May of 1906, Peking was electrified by the publication of an edict appointing Tang Shao-yi and Tieh-liang High Commissioners

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of Customs. For forty-seven years Sir Robert Hart had enjoyed absolute independence of action in the administration of the Chinese Imperial Maritime Customs. He had reported to the Foreign Board upon all matters affecting the external revenue of China, and the integrity of his department had been the guarantee of every foreign loan. Suddenly, without having been called into consultation, without having had the courtesy extended to him of an intimation that a change was in prospect, without having received one word of warning, Sir Robert Hart read with the rest of us that he had become subordinate to two officials who represented the worst features of Chinese administration. The moment was well chosen. The Ministers of France, Germany, Austro-Hungary, and Great Britain had recently retired from their various Legations, and their places had not yet been filled by their successors. Sir Ernest Satow had only just reached Shanghai, and the first act of the British Chargé d'Affaires was to telegraph to him an invitation to return and resume direction of the situation.

Yet is Sir Robert Hart, in the Chinese nobility, of much higher rank than either of the officials who

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have been placed over him. He is Junior Guardian of the Heir-Apparent. He wears the Red Button and the Peacock's Feather. He possesses the high Order of the Double Dragon, and, by Imperial edict, his titles will be continued to his descendants throughout three generations.

This high-placed personage is a little old man of seventy-two, spare of body, with grizzled beard and thin, grey hair. He speaks with a strong Irish accent, and his voice grows speedily husky in protracted conversation. Slow of speech, he considers every point before he makes reply, and, if embarrassed, a perceptible blush spreads over his shrewd, grey face. No European knows so much of China and the hidden things of its mysterious inner life as the Inspector-General, yet the Boxer rising was to him a surprise and his own degradation was a revelation.

A man of method, steeped in statistics, keenly intent upon the progress of affairs about him, Sir Robert Hart has kept a diary ever since his arrival in China fifty-three years ago. In his will, prior to the outburst of 1900, he had expressly stipulated that this monumental record of events should never be given to the world. Then came the atrocities of

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the siege of the Legations. Sir Robert's house was looted, and his library destroyed. The diaries, deep in the vaults of the bank, escaped destruction. The Inspector-General changed his will. One day we shall learn all that one man can tell of the history of an epochal half-century in China.

Only one other European possessed a record comparable with that of Sir Robert Hart—the private secretary of Li Hung Chang. A few years ago he died, suddenly, without a European about him. When the first Westerner arrived the journals had already disappeared, and the illumination of China's most typical statesman's life-work was lost to history.

More conservative than the Chinese of the school of Yuan Shi Kai, Sir Robert Hart is a profound believer in the value of the Confucian philosophy as an educator of Oriental minds. When Yuan Shi Kai memorialized the throne in favour of reforming the educational system of China by replacing the traditional literary examinations with examinations in general knowledge, the Inspector-General strongly opposed the suggestion.

As Sir Robert himself told me, he advised the

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retention of the ancient ethical training for the four literary degrees according to the custom in China for over two thousand years, and then the addition to this curriculum of a fifth and final degree in Western science. He argued that by such means the best brains of the land would be instructed in the high moral precepts which are the theme of the Chinese classics, and would at the conclusion of the course be in a fit state to imbibe and to profit by the teachings of modern science.

"Train your youth in the classics," he said. "Instruct them in the philosophy of Confucius, and then, when their moral education is complete, let them turn to the lessons of modern thought and knowledge. In such way you will possess a well-built fire laid beneath a chimney which will ensure complete combustion."

Sir Robert's theory had received the support of Li Hung Chang in his lifetime; but the age had grown more material, so that the practical reforms of Yuan Shi Kai were carried in opposition to the conservative sentimentalism of the European Inspector-General.

The Inspector-General is no subject for the

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professional interviewer. He loathes the possible misinterpretation of his views, and dreads the perils of unauthorized publication. No rule is held more sacred in the Customs service of China than that no member may write anything on Eastern affairs for publication in book or in newspaper. The slightest deviation from this order means the instant dismissal of the writer by the little grey autocrat in Peking.

To me Sir Robert Hart has been more communicative than is his wont even with personal friends. The fact that I am more interested in basic principles than in sensational indiscretions aided much. Before the startling demonstration of his own treatment at the hands of the central authority, he had told me that China was awaking to her position, that Japan had taught her the potential capacity of the Oriental, and that China would soon take her destiny into her own charge. His conclusions bear the weight of sixty years' close study of the Oriental.

"The Chinese have plenty of intellect," he said, speaking slowly and deliberately, "but hitherto they have refrained from exercising it in competition with the foreigner. They are a non-aggressive people—a

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nation of passive resisters. They believe, however, that they have been unfairly treated by all foreign Powers—cheated. The foreigners have taken every advantage of their weakness, have profited by their urbanity. The Chinese have said, 'Two men cannot stand on the same foot of ground. If you insist on standing on that foot of ground we shall withdraw, although we do not believe you have either legal or moral right to remain there.'

"Such has been the position ever since the first incursion of Europeans. At last China is rousing herself to action. She will deal with foreign Powers according as the Powers have dealt with her. If the Chinese are not yet strong enough to throw off the unwelcome burden of the foreigner, they at least will grant no new concessions. They are quietly determined to take their own position in the world; and, in Cathay, that determination accomplishes much."

I asked Sir Robert to which country China was most likely to turn for instruction.

The Inspector-General unhesitatingly answered, "Japan. China does not desire to render herself indebted to any country for direction, but she realizes that she cannot yet act as sole arbiter of her fortunes.

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She must lean upon some Power, and she will lean upon Japan. Japan's influence is the safest and the most congenial. Her direction will be paramount. China's instructors in the schools, in the army, in the executive departments, will be Japanese."

In answer to an inquiry as to the extent to which Russia's influence had suffered in Peking, Sir Robert was surprisingly definite: "Russian influence is practically unimpaired. China respects Russia's strength. Her frontier is common with the frontier of Russia along thousands of miles of border, and she realizes that in that frontier lies her most vulnerable flank. Russia, too, is most sagaciously represented at Peking. In M. Pokotilof she has a Minister who has a hand of iron most admirably concealed in gloves of softest velvet."

Speaking of the most obvious signs of the times, the Inspector-General said, "The army manoeuvres have indicated the birth of a military spirit in the people. Even more significant is the fact that in all the schools of China, organized upon a Western model, the pupils wear uniform, take pleasure in their drill, and exercise themselves continually in military evolutions.

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"The mobilization of the army has demonstrated in the Chinese an unsuspected capacity for discipline. The people themselves dreaded the manœuvring of large masses of troops in their midst, and anticipated riot and outrage. Instead of fulfilling this fear, the exercises passed off without one unpleasant incident, and the army triumphantly vindicated its right to be considered a well-governed and efficiently disciplined force."

Sir Robert's whole life has been passed in China. In matters of sentiment and patriotism he is more Chinese than the Chinese themselves. He has sacrificed his birthright of communion with his fellows in intellect and in nationality to China. The weary years of his service in Peking have cut him off from almost every intimate expression of the development of civilized humanity throughout two generations.

He has sacrificed his career in the diplomatic world to China. In 1885 he was gazetted British Minister Plenipotentiary to the Court of the Emperor of China; but he retained the appointment just sufficiently long to permit of his resignation reaching Downing Street. Men of Sir Robert Hart's stamp

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cannot be bound with the red tape of official tradition.

He has sacrificed the enjoyment of his domestic circle to China. I was in Peking when Lady Hart came back on a visit to Sir Robert. For a quarter of a century husband and wife had not met ; his daughter, who had been carried away a baby in arms, returned a full-grown woman. As I strolled past the official residence of the Inspector-General that night, and hearkened to the strident strains of the Customs native band thundering a cake-walk in welcome of his wife, I wondered what honour China could devise adequate to reward the man who had suffered so much in her service. Two months later China took action to render his life's work useless ; and in so doing justified her ineradicable Oriental ingratitude.

CHAPTER XIX

CONTROL OF THE CHINESE CUSTOMS

THE significance of the changes in the control of the Chinese Imperial Maritime Customs has not been realized by the British Foreign Office, has been minimized by Sir Robert Hart from reasons of sentiment, and has not been grasped by the public at home.

The Imperial Edict of May 9, 1906, read as follows :—

“Tieh-liang, President of the Board of Revenue, is appointed Imperial High Commissioner of Customs, and Tang Shao-yi is appointed Vice-Imperial Commissioner of the same.

“All Chinese and foreign employees of the said Customs are to be under the control and direction of the above-named High Commissioners.”

On September 11, 1906, the President of the Associated Chambers of Commerce read to the

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conference assembled at Bristol, a communication from the Foreign Office which stated that "his Majesty's Chargé d'Affaires at Peking has been informed by Tang Shao-yi that Sir Robert Hart has on two occasions received verbal instructions from the Tieh-liang and himself to continue the administration of the Customs as before, and that Sir Robert is at liberty, if he sees fit, to circulate these instructions, as they were in no sense private."

The ignorance of the British public with respect to all things Chinese could not better be exemplified than by the wording of that memorandum. "The Tieh-liang" is not a Board or a Department, as the introduction of the definite article would suggest, but a man—the Chinese mandarin Tieh-liang, who, by the Imperial edict of May 9, 1906, was appointed Superintendent of Customs Affairs.

The Foreign Office and the home Press seemed to regard the "verbal instructions" of Tang Shao-yi as a triumph for Sir Robert Hart, whose "reinstatement" as Inspector-General was hailed with satisfaction. As a matter of fact, Sir Robert Hart had never been removed from his office as Inspector-General. The whole difficulty with the Chinese

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Government was a much more subtle one. Prior to May 9, 1906, the Inspector-General of Chinese Imperial Customs reported direct to the Wai Wu-pu. By the Imperial edict of May 9, two Chinese officials, Tieh-liang and Tang Shao-yi, were appointed High Commissioners over the head of Sir Robert Hart. According to the Foreign Office memorandum, Tang Shao-yi later claimed the significant title of "Administrator-General."

Tang Shao-yi is one of the most able men in China, and a past master in Oriental diplomacy. By assuming the right to "instruct" Sir Robert Hart he established his superiority beyond question, and as the Inspector-General pursued the course suggested by his Majesty's Chargé d'Affaires at Peking, that superiority received the tacit assent both of the British Foreign Office and of Sir Robert Hart. Instead of relieving the situation of its difficulty, the Foreign Office memorandum intensified it.

The question was not merely one of the prestige of a representative Briton, but one which vitally affected British interests in the Far East. By the agreement entered into between the British and Chinese Governments in 1898, China gave a formal

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undertaking that the Chief of the Imperial Maritime Customs should be an Englishman so long as British trade preponderated over that of other nations. All foreign loans to China have depended upon that guarantee.

The danger in the situation lay in a circumstance that has not yet been referred to in connection with the protest against the appointment of the Chinese commissioners. While the Customs returns continue to show a preponderance of British trade, it has not been realized at home that all goods transhipped at the British port of Hong Kong appear in the returns as "British" without reference to their country of origin. Hong Kong is the clearing-house of the Orient. For long it has been known that Great Britain has obtained an entirely adventitious advantage from this method of making up the returns, and Germany has not hesitated to assert that, if the relative volume of trade were calculated upon the basis of the country of origin, Germany, and not Great Britain, would be found to possess the preponderance.

On this subject I consulted Sir Robert Hart himself. The Inspector-General readily admitted

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that, in recent years, a great change had come over the relative position of the nations trading with China. "The Germans are beating the British," he said, "because they study the language, carefully consider the market, consult the idiosyncrasies of the people, content themselves with a smaller percentage of profit, and attend to their business. The British in the Far East pay too much attention to sport, give too little consideration to the claims of their commerce, and are fatuously allowing a great market to slip away from them. When I came to the Far East," he concluded, "there were not half a dozen German firms trading with China; to-day their number is to be counted in scores."

Tang Shao-yi is too shrewd a man not to recognize the advantage to China of an international struggle for the control of the Maritime Customs. Before I left Peking, and subsequent to his appointment as High Commissioner, Tang Shao-yi interested himself in the curricula designed for a band of Chinese students despatched to America for instruction in Western methods of administration. He summoned Dr. Tenney, who had been entrusted with their tutorage, and instructed him to pay special attention

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to the training of a certain number in such subjects as would "fit them to fill the higher posts in the Imperial Maritime Customs service."

The British Foreign Office was left a free hand by the Powers to deal with the matter, but, after months of negotiation, Sir Robert Hart issued a circular to the staff of the Customs in which he stated that his position had been in no way discredited by the appointment of two Chinese officials as High Commissioners or by the formation of a separate Customs Board (Shiu Wu Ju) to administer the affairs of the Department. He added that the Chinese had given him sufficient assurance that for sixty years the Maritime Customs would continue to be the guarantee for foreign loans. In other words, Sir Robert Hart accepted the "instructions" of Tang Shao-yi, and thereby gave the Chinese official the diplomatic advantage he sought.

That Sir Robert Hart himself found his altered position irritating is manifest from the fact that, after decades spent in China, he for the first time applied for "long leave" to take effect from February 20, 1907; that he was dissatisfied with the guarantees given him to preserve British control in his absence

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or on his retirement is proved by his decision on the eve of his departure to withdraw his application and to continue at his post.

During the Boxer troubles, while Sir Robert Hart was in Peking and his death was presumed by all the world, there was much intriguing among the Commissioners for nomination as his successor. When this was reported to Sir Robert, the Inspector-General dryly remarked, "Doubtless there are many in the service who consider themselves capable of assuming the control." It is significant that in the forty-four years of his administration he has not once deputed that control to another, and that his computation of the ability of a successor is considerably more important than that of the ambitious applicant himself. Apparently he has not found one member of his staff to whom he could safely entrust the command at this juncture.

It is not Sir Robert Hart, but the Inspector-General of Imperial Maritime Customs, who is the permanent trustee of foreign interests in China. Sir Robert Hart is seventy-two years of age, and sentimental in his regard for the Chinese. By accepting the instructions of Tang Shao-yi as defining the

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terms of his appointment, he must, later, accept the instructions of Tang Shao-yi in the administration of his Department. If the Chinese are sufficiently tactful to avoid interference with the Inspectorate-General during the lifetime of Sir Robert Hart, his successor in office will be bound by the precedent established by Tang Shao-yi. He will have to acknowledge the superiority of the Chinese High Commissioner.

Only an Imperial Edict can rescind an Imperial Edict, and in the absence of an edict removing Tieh-liang and Tang Shao-yi from office all foreign interests are menaced by the insult offered to Great Britain in the person of Sir Robert Hart.

CHAPTER XX

YUAN SHI KAI

THE Imperial edict published at Peking, in September, 1906, announcing the abolition of the use of opium in China within ten years, is the most remarkable monument to the power of the most remarkable man in China. To Yuan Shi Kai, the successor of Li Hung Chang as Viceroy of Chihli, the credit is due for a reform which a year ago had been impossible in China. Mr. Morley's offer of co-operation on the part of India would have passed unheeded had Li Hung Chang still lived to exercise his power as adviser of the Dowager Empress.

With the death of Li Hung Chang a cycle ended in China. In the few short years that have intervened the old order has changed, giving place to a new condition of things and a new leader of men. The change would be violent in the Western Hemisphere ; in the Far East it is without parallel in the annals of revolution.

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Li Hung Chang was the last great conservative statesman of China. A scholar and a gentleman, he combined every traditional virtue of the East with every traditional vice of the Orient. The most learned of the Chinese literati, he was the most corrupt of the Chinese Viceroys. The most trusted intimate of the Empress Dowager, he was the statesman who betrayed China to the Japanese. The Guardian of the Throne, he was the administrator who left China without an army. The Keeper of the Empire's purse, he was the official who diverted great part of its revenues to his own enrichment. The shrewdest, best-instructed politician of his nation, he left the dynasty at the lowest ebb of its fortunes when he died. Li Hung Chang was Oriental in his diplomacy and in his honesty ; a man, measured by the standards of the Orientals, great in his day and generation, who sought to keep the learning and the philosophy of the West out of the Dragon Kingdom. His failure was the measure of his services to his Empress and his people.

Li Hung Chang died on November 7, 1901. He died the richest man in China, perhaps the richest man in the world, and his titles were

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continued to his descendants throughout forty generations.

The effect of Li Hung Chang's statecraft was to leave the Emperor and the Empress Dowager outcasts from their capital and from their throne, to place the hated foreigners in the ancestral halls of the Sons of Heaven.

Some three years before, in 1898, an obscure Honanese, unlettered and unhonoured by his compatriots, who had held no more important post than that of Chinese Resident-General in Korea and of Governor of Shantung, appeared upon the stage of national politics with altogether unexpected effect. In the days of his brief enjoyment of Imperial power, the young Emperor of China listened to the counsels of the Reformers, sought to give effect to the teachings of the West, and promulgated edicts which shook official China to its vitals. He looked for the protection of his person, and the execution of his commands, to the Honanese soldier, Yuan Shi Kai. Yuan had trained a force of some five thousand men according to the methods of the West, had fed them, and clothed them, and paid them their wages in good coin.

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When Li Hung Chang was faced with the war with Japan he levied an army of coolies, undisciplined and badly armed, sent them into the rigours of a northern winter without clothing and without boots, then marvelled that they found it more agreeable to run away than to remain and be killed by the enemy. Yuan Shi Kai remembered—what General Gordon had demonstrated—that the Chinaman, when properly paid to fight, is as reliable a soldier as any the world produces. He commanded the only efficient force in China.

When, therefore, the Empress-Dowager arranged her *coup d'état* of September 22, 1898, the fate of the Empire depended upon Yuan Shi Kai and his force of trained troops. The Emperor confidently looked to them for aid, but Yuan had measured the weakness of the Son of Heaven, had realized the strength of the Empress Dowager. He threw in his lot with her and sealed the doom of Kwang Su. From that date such gratitude as lurks in the Oriental breast belonged to him of right for his support of the Empress Dowager in her Palace revolution. Conversely, and more certainly, was the hatred of the Emperor his portion, should that

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monarch ever regain power in the Empire over which he had been anointed king. In those days, when he was manœuvring for power, Yuan risked much on the turn of a card.

It was the same in 1900, when the lives of the foreigners in Tientsin and in Peking depended upon the attitude of the Honanese and his troops. Yuan was ordered to advance and take part in the attack upon the foreign concessions in Tientsin. To obey was to incur the sure revenge of the allies. To disobey was to lose the favour of his Imperial mistress. Yuan did neither. He advanced his troops at the rate of a mile a day, avoided conflict with the foreigners, and escaped the wrath of the Empress Dowager. Later, when the Empress Dowager realized the doom to which Yuan's implication by her direct command in the Boxer rising most certainly would have exposed her, she became the active patron of the Viceroy of Chihli.

In the four years of China's endeavour after rehabilitation from the effects of the Boxer rising and the punitive expeditions of the Powers, Yuan Shi Kai has risen to the first place in the Empire, has been endowed with power never previously

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wielded by a subject ; until, to-day, his will is paramount in China.

In those four years he has organized an army that is the wonder and the admiration of foreign critics witnessing it manœuvre. He successfully has combated the caste objections to military service which had marked the Chinese aristocracy from its earliest civilization, so that now the sons of the nobility deem it their greatest pride to appear abroad in uniform. He has broken down the entire traditional scheme of education, has substituted modern text-books and modern examinations for the classics and the tests which had existed during two thousand years. He has forced the abolition of torture in the examination and punishment of criminals. He has provided the capital with roads and avenues that compare with the most modern in Europe, until the European-controlled Legation Street is the worst-kept main street in Peking. He has constructed public offices in Peking that would do credit to any European State. He has wrenched the control of the Customs from the hands of the Powers, and placed it in the keeping of his most trusted subordinates. He has conducted the

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post-bellum conference with the Japanese, preserving his country's dignity and privileges in the difficult position created by the Russo-Japanese War. He has settled the Tibet question with Great Britain, and repealed the traditional rights of Viceroys by sending his own nominees to investigate the massacres of missionaries, and to punish the guilty in provinces over which he exercises no nominal control. In December, 1906, he secured the nationalization of the armies of China. He has laid the basis for constitutional government in China.

In December, 1905, Sir Robert Hart admitted to me that Yuan Shi Kai was the strongest man in China. Since then he has become the Dictator over four hundred millions of men.

Some months ago Wu Ting Fang—according to our ideals the most enlightened of educated Chinese—turned to me suddenly in the course of conversation, and asked, "Who do you think is the real ruler in the Empire?"

Without hesitation I answered, "Yuan Shi Kai."

The directness of my reply disconcerted the President of the Board of Punishments. He looked

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straight into my eyes for a minute in silence, then said, "You are right. His Excellency the Viceroy is the controlling force in China."

The man who exercises this tremendous power is the very antithesis of Li Hung Chang, as his policy is the very opposite of that which marked the administration of the former adviser of the Dowager Empress. Li Hung Chang was tall and spare, with a face the colour of vellum. Yuan Shi Kai is short and burly, with the neck of a bull and the complexion of a farmer. He is honest according to the standards of the Chinese, expending his revenues upon the perfection of his army. Li Hung Chang was a leader of the literati. Yuan Shi Kai is a practical man, instinct with business methods, concerned with the material progress as opposed to the academic conservation of his nation. Li Hung Chang was a Richelieu in politics. Yuan Shi Kai is a Cardinal Wolsey, lacking the love of the butcher's son for personal display so far as is compatible with his Oriental nature. Li Hung Chang was ambitious and avaricious. Yuan Shi Kai is ambitious and patriotic. Li Hung Chang considered himself first, his nation and his sovereign second.

Yuan Shi Kai

Yuan Shi Kai lives for China. Like Napoleon, he may very possibly seek Imperial power as the price of his services when the Empress Dowager is dead ; but, unlike Napoleon, he will know that no other course is open to him if he be to save China for the Chinese from the hand of the foreigner.

China has its anarchists, as Spain, and Italy, and Russia. Their vengeance is vowed upon the Viceroy, and the attempts upon his life have been many in the two years of his acknowledged power. More subtle have been the intrigues of his rivals in office. The older Viceroys, the literati, the corrupt forces of Chinese bureaucracy, hate him with a deadly hatred. Knowing him to be a full-blooded man, they have endeavoured to reach him through his passions. After the manner of the Orientals, they have sought to introduce into his domestic circle a concubine who would fascinate and control him. So far the Chinese Samson has not met his Delilah.

In his yamen, Viceroy Yuan is a courteous and a considerate host. Foreigners, tricked by his affability of manner, retire from the presence with the idea that they have deeply impressed him with the object of their interest. They do not know that on their

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withdrawal the Viceroy has turned to his suite and remarked, "What a fool that foreigner is! He tries to convince us that only the Europeans can do what we Chinese are quite capable of doing for ourselves."

Yuan Shi Kai's influence is paramount at the capital. In April, 1906, shortly before his retirement from the Legation at Peking, when his Tibetan negotiations were almost concluded, Sir Ernest Satow, accompanied by the Chinese Secretary and the First Secretary to the Legation, paid a visit to the Viceroy at Tientsin to determine the final terms. The suggestion of a British Minister paying an official visit to a provincial viceroy would have been impossible five years ago.

A friend of mine, an American engineer, was entrusted by the Wai Wu-pu with the designing and construction of a new building, in which to house the Foreign Office. Yuan Shi Kai has no official connection with the Wai Wu-pu, but in due course the architect had to submit the plans for the Foreign Office at Peking to Viceroy Yuan in Tientsin. His Excellency's authority to proceed was necessary before the excavation for the foundations could be commenced.

Yuan Shi Kai

When Yuan Shi Kai was testing the limits of his power, at the beginning of 1906, he found himself seriously obstructed by the machinations of the Palace functionaries. His principal enemy was Li, the unscrupulous chief eunuch. From the Dowager Empress, the Viceroy obtained leave to remove the favourite from office, but the dismissal was none too easily managed. Li had friends throughout the Forbidden City, whose interests were identical with his, and grave trouble was anticipated at the end of February. On Sunday, February 25, the chief eunuch was removed. Yuan patrolled the streets of Peking with his troops, armed with rifles and fixed bayonets, quadrupled his guards over the Imperial City, and even then was unable to save the Empress from a sacrilegious insult. Some unknown miscreant threw a shoe at the Dowager Empress from a palace window, and for weeks the Imperial family lived in dread of their action at sanctioning the dismissal of Li. However, Yuan attained his purpose, the bad influence of the chief eunuch was removed from Court, and the rapidly succeeding reforms of the last few months are the result.

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To the European, the most impressive of these reforms is the edict announcing the abolition of the traffic in opium within ten years. Yuan has always been a bitter enemy of the opium trade. He has refused to permit any one attached to his person to take opium, and has summarily discharged all officers from his army and all officials from his service whom he found addicted to the habit. With such a man in power, the probability is that the period of grace will be curtailed rather than lengthened, and China will be released from the bondage of the narcotic even sooner than its well-wishers now expect. No official who is an opium-smoker may remain in Government employ after March, 1907. It is only since the advent of Yuan Shi Kai that reforms have begun in the house of the law-makers. It is not Oriental, but it is practical, and Yuan, above all things, is a practical administrator.

CHAPTER XXI

CHINA'S MILITARY STRENGTH

IN the days before the Boxer troubles Li Hung Chang journeyed to Taku to inspect the forts which guard the entrance to the Pei-ho. He was received with the ceremonial due to his exalted rank, and proceeded to make an exhaustive investigation into the affairs of the South Fort. The garrison was paraded, the roll called, and found to be correct. His Excellency, without reference to the eccentricities of their armament or the deficiencies of their outfit, expressed his satisfaction at the appearance of the men. The courteous commandant of the fort with his officers then entertained the Viceroy, weary with the labours of the morning, at luncheon.

No sooner was Li Hung Chang seated at table than the garrison was once more paraded, marched out of the South Fort, ferried across the Pei-ho, and led into the North Fort on the other bank of the

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river. Lunch finished, his Excellency was conducted with proper ceremonial to the scene of his second inspection at the northern fort, where the same roll was called, the same men answered to their names, and the same satisfaction was expressed at the condition of the post and garrison. Li Hung Chang reported to the Empress the efficiency of the fortifications and armament, the assured strength of the garrisons, and departed well pleased with his entertainment at the hands of the officers. The commandants congratulated themselves upon an economy which had placed 50 per cent. of the sum for the forts' maintenance in their private pockets, dismissed the coolies hired for the day's parade, and redistributed the insignificant company of permanent guards between the two strongholds.

Until after the Chino-Japanese War no Viceroy dreamed of maintaining the troops for which he received pay. If a levy were demanded, coolies were always available to swell the ranks to the necessary number, and in peace the idea of feeding, clothing, and arming soldiers was repugnant to every properly trained official. Foreign critics, observing the conduct of those raw levies in the field, jumped to the

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conclusion that the Chinese as a nation were cowards, that they would never stand against regular troops in war, and that they were a negligible quantity in the computation of the world's military Powers. To General Gordon's military genius was ascribed the success of the Ever Victorious Army in the days of the Taiping rebellion. It was forgotten that he led the only troops in China in receipt of regular pay, properly fed, and efficiently armed, and that his troubles with Li Hung Chang were entirely due to the difficulty of preserving those essentials. The Chinese who failed so miserably before the Japanese in 1894 had no inducement to stay to be killed. When it pays the Chinese soldier to stand by his post he makes as good fighting material as can be found anywhere the wide world over. Captain Layard, of the disbanded Chinese regiment at Wei-hai-wei, told me that he was in command of his company on a reconnoitring expedition at the attack upon Tientsin in 1900. Suddenly a shell burst behind them, and he found himself in charge of native troops for the first time under fire. To his satisfaction the Chinese were not the least disconcerted. They continued to advance in excellent order, but strongly demurred

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when ordered to retire. It took all Captain Layard's eloquence to explain that the duty of a reconnoitring force was to unmask the enemy's position, not to engage in direct attack. At that date the regiment had been established for only a few months, but the men had been well fed, well clothed, and regularly paid. They were in consequence eager to fulfil their part of the contract. It is to their credit that they carried out the retirement with the same coolness that had characterized the advance.

With the death of Li Hung Chang, and the coming of Yuan Shi Kai to the viceroyalty of Chihli, matters changed in the military administration of Northern China. Yuan is essentially a soldier, and his first work was to reorganize the military establishment of his province, and to memorialize the throne to effect the reformation of the entire Chinese army upon modern lines. In November, 1906, he was appointed Commander-in-Chief of the armies of China, and is the first official who has ever been entrusted by his Sovereign with such a position. Much that is foolish and imaginative, both with respect to the numbers and the constitution of the troops, has been written by those who have had

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insufficient opportunity to observe the changes wrought by one strong man in power. The facts are sufficiently interesting.

In addition to his personal force of 5000 disciplined men, Yuan, at the date of his first memorial to the throne in 1902, could count upon the Black Flags and the Eight-Banner men as household troops to the number of 50,000; upon the Banner men of Manchuria to the number of 300,000; and upon a problematical force of 500,000 Green Flags distributed throughout the Empire. In April, 1905, he received permission to establish three new divisions, for which an annual expenditure of £750,000 was allowed. At the same time orders were given for the purchase of 6000 ponies in Mongolia, at a cost of £3 per mount. Those were in addition to 6000 ponies purchased by Yuan himself in his capacity as Viceroy of Chihli. In November, 1904, he ordered from Krupp eleven batteries (sixty-six guns) of 7.5 quick-firing and mountain guns, for which he paid £210,000. In March, 1905, he bought from Schneider-Creusot sixty field and mountain guns. These twenty-one batteries form the most modern and most efficient

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artillery in China, and are far superior to any guns owned by European troops, not excepting the German. In the past year Yuan has made further extensive purchases of artillery in Europe, as has Chan Chi-tung for his own viceroyalty.

It is the purpose of Yuan Shi Kai to organize the Chinese army on an establishment of thirty-six divisions, complete with infantry, cavalry, artillery, engineer, and army service troops. When completed the army, consisting of active, first reserve, and second reserve forces, will number 1,200,000 men.

The work of organization has been entrusted to a general staff, under the supreme control of Yuan Shi Kai. In time members of this general staff will be detached for service with each divisional staff. At present they are engaged in an exhaustive topographical survey of the Empire.

Within the last few weeks of 1906 a school for nobles—the Kwei Chao Shueh Tang—was established in Peking. The English and Japanese languages are taught in a course extending over five years. The scholars are drilled and educated as in a military college. They wear black uniforms, with gold braid on the cuffs and collars, and peaked military caps of

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the French shako pattern. The graduates from this school will be given commissions in the Imperial Guards entrusted with the protection of the Emperor's person. The Imperial Guards form the Manchu Division of the army, and are recruited exclusively from members of the Imperial clan. They are the *corps d'élite* of the Chinese army, and are constantly schooled in their duty to the dynasty and the throne. The Manchu Division is the only one at present complete in every branch of the service, and is regarded as the model for the new divisions in course of formation.

In addition to the reorganization of the forces in China proper, the Central Government has turned its attention to the raising of troops in Chinese Turkestan. For that purpose it has authorized the recruiting of 14,000 men as a permanent force. In conjunction with the military proposition, the Government has had in view the colonization of those wide tracts of sparsely populated country, so it has set aside 376,650 acres of land for cultivation by the soldiers, and has distributed 434,850 cattle and sheep among them at a cost of £100,000, to form the beginning of stock herds. To prevent the danger of

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the new army being used as a weapon against the dynasty, the Government has decreed that the troops will be recruited in the proportion of two Manchus or Chinese to every Mahometan native of the territory.

The troops throughout China are drilled according to the Japanese modification of the German method under Japanese instructors, who are being replaced by Chinese trained in the military schools at Tientsin, Wuchang, and Shanghai. The men are housed in comfortable barracks, are supplied with reading-rooms and schools, and bear in their faces the marks of good and regular feeding. In physique and general smartness they are the superiors of the Japanese, especially in the mounted branches of the service.

Yuan Shi Kai's great difficulty will always be money. So long as he pays his troops regularly, he will command a reliable and loyal army. So soon as his payments fall short, he must face mutiny and disaffection. He has undertaken to pay his men 13s. 6d. a month, from which 3s. are deducted for food. The soldiers occupy a higher position than the labouring classes of the country, are better

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clothed, and are relieved from menial work, their cooking and household work being done by followers of the camp.

I have watched those men under every aspect of their calling, and have stopped only to wonder what their leadership will be when called to active service. That they are individually brave I know. I have seen a solitary Hunghutze, pursued by a Cossack patrol, calmly dismount from his pony and engage an entire sotnia with his solitary rifle. Kneeling in a field of kiaolang stubble, alone and unsupported, he deliberately picked off the men with his Mauser until the Russians pulled themselves sufficiently together to end his sharp-shooting with a volley. What that one Hunghutze did, any division of Yuan Shi Kai's army can do if only it be provided with a leader of the brigand's determination and courage.

Yuan Shi Kai's disposition of his troops gives food for speculation. At Yung Ping-fu, cutting the old caravan route from Manchuria to the capital, and guarding the northern approach to Peking, he has quartered a Division. In the early part of 1906, under pretence of an expedition against the Hunghutze, he strengthened this garrison by establishing

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at Chin-chow an outpost consisting of a force of 3256 officers and men, with three batteries of Krupp mountain guns. I watched the entraining and despatch of those men, and was astonished at the ease and rapidity with which so considerable a column was moved in three consecutive days in special trains by night from Pao Ting-fu, one hundred miles south of Peking, to Chin-chow, 450 miles to the north-east. The operation would have done credit to any European army.

At Pao Ting-fu the Commander-in-Chief has placed a Division in permanent barracks. A hundred miles south of this position, at Shung-te-fu, and likewise governing the road from Hankow to the capital, he has established a garrison consisting of the Seventh Division, which at the time of my departure from the Far East possessed eight batteries of Belgian quick-firing guns.

In the hunting-park, three miles to the south of Peking, is quartered the Sixth Division, which supplies the Guards for the Imperial Palace, consisting of a battalion of infantry and a squadron of cavalry. With this Division Yuan Shi Kai retains twenty-six modified Krupp guns, which are the best

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of his artillery arm, and excel any guns possessed by the foreign legations in Peking.

The Manchu Division moves with the Court, and is the pride of the modern army.

By his strategic disposition Yuan Shi Kai completely controls all the approaches to the capital, and holds a force which he may utilize either to protect the Court from threatened attack or to crush the Emperor should he himself desire to assume Imperial power. Contrary to treaty stipulations made at the settlement of the Boxer trouble, the Chinese have been permitted to build a great tower over the Chien Men, or central southern gate, which commands the foreign legations and governs the Forbidden City. In the threatening condition of Chinese affairs it might be assumed that this structure had been undermined by the foreign community, but this has not been done, and if trouble again arise in Peking the fate of the legations will depend upon the success of the first assault which will be necessary to take it. The foreign legations are as much in the power of Yuan Shi Kai's troops in 1907 as they were at the mercy of the Chinese rabble in 1900.

The ultimate purpose of the equipped and

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disciplined troops is locked in the breast of the Viceroy of Chihli. Yuan Shi Kai's yamen in Tientsin is connected by telegraph and telephone with the Imperial palaces and with the various barracks of his troops. In a field a couple of hundred yards away is the long pole of a wireless telegraph station, from which he can send the message that any day may set all China ablaze.

CHAPTER XXII

COUNT WITTE

ALTHOUGH Russia, temporarily, has been excluded from the warm waters of the Far East, her policy cannot be eliminated from any attempt at an elucidation of the situation there. M. Pokotilow, in Peking, and M. Plañcoñ, in Seoul, are working steadily and determinedly to re-establish Russian influence on a sounder basis than existed prior to the war. The policies which led to war are indelibly associated with the name of Ito in Japan and the name of Witte in St. Petersburg. To realize the statecraft of those men it is necessary to understand their personalities.

In August, 1903, I was in St. Petersburg watching the first moves in the diplomatic game which later I was to see played to a grim finish on the bloody fields of Manchuria. On Saturday, the 29th, I was called to the Ministry of Finance upon the Moika. It was the pleasure of the true Autocrat of All the

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Russias—of Serge Witte, German bourgeois, and ex-railway clerk—to receive me.

The ante-chamber would have shamed the waiting-room of many of the Sovereigns of Europe. It was crowded with officers in uniform, with functionaries in Court dress, with civilians glittering with Orders. Never had the arrogance of ceremonial appealed to me more than that day when I saw the foremost figures of the Empire gathered about me in honour of the man they despised as an upstart. It was a wonderful testimony to the power of brain to rule men trained to respect the authority of birth.

When at last I was ushered into the reception-room, I received a shock. Outside were princes, generals, and great officers of State in full dress waiting the summons of the Minister for Finance. Inside the dingy cabinet was Serge Witte—tall, gaunt, unlovely, in a badly cut frock-coat, unrelieved by decoration or spot of colour. He stood with a half-burned cigarette between his fingers, passionless, indifferent. He seemed utterly tired of everything and everybody, disdainful of the people who had come to wait upon him, contemptuous of all who were his instruments.

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Talented Witte undoubtedly is, sympathetic he assuredly is not. It is whispered in St. Petersburg that the Tsar shudders whenever he enters the presence. I felt a similar physical dislike to the man while I stood listening to the secretary's announcement of my name and mission. When the secretary had finished his Excellency shambled over to me on his long, flat feet and held out a large, cold hand in greeting. I had to control myself before I grasped it. Then he seated himself at his desk and addressed me.

A few minutes sufficed for the interview. My purpose was a definite one, and Witte disposed of it deliberately, voicelessly, without apparent inflexion, between puffs of the unsatisfactory little cigarette that had stained his fingers yellow. Another grasp of the unresponsive hand, and I was out once more among the place-seekers and the officers of the Chancery. Next morning I learned that he had fallen from his high estate, that I had been present at his last official reception in the Ministry of Finance. After the manner of Russia, he had been degraded by promotion to a position of nominally higher rank, in which he was powerless to act.

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I was sorry. Measured by the standards of other nations, Witte may not be a great statesman, but his was the only constructive brain in the whole vast army of the chinovniks. He stood for a policy. Others stood for self-aggrandizement.

As I saw him that Saturday afternoon he seemed a very tall man, angular and loosely built, with two black, auger eyes peering out of a blue-grey face. He had the steep-fronted forehead of the thinker, set high above the ignoble, bridgeless nose of the moujik. His manners were deplorable. A man less suited to the atmosphere of Courts could not be imagined. He held his position by sheer mastery of brains. I have heard much admiration of his talents, but I have still to meet one who will express for him love or affectionate regard—nor do I think he desires either.

Were Witte personally sympathetic to the Tsar his policy would have been given effect, but he lacked the mode which opens the hearts of kings. Disdainful of all men, he was openly contemptuous of his august master. He carried to him carefully constructed digests of his projects, endeavoured to interest the Tsar in abstruse calculations and

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complicated columns of statistics — and failed. Nicholas Alexandrovitch has no head for figures, and no activity to follow the quick-brained Minister through the ramifications of policy ; so Witte shrugged his lean, square shoulders, and turned away. His Majesty shivered in involuntary aversion.

The man was physically incapable of flattery. He imposed his will, confident of the reasonableness of his plans, when the language of success should have been couched in subtler tongue. If opposed, in his disappointment he was sour and bitter. He was the very Pessimist of Petersburg.

Arrogant as any absolutist, he presented to the contemplation of the Court the least attractive personification of intellect among the people imaginable. Married to a Jewess whom he purchased from her former husband for forty thousand—or was it four hundred thousand ?—roubles, Witte is shut out from the social life of the Empire. With the taint of Jewish blood already in his veins, this miserable union thoroughly estranged him from all who respect themselves in St. Petersburg.

I am not here concerned with Witte's financial policy, with the results of his long term of power.

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It may be that his long succession of loans was bound in the end to crush the State as his Protectionist devices for the stimulation of manufacture crushed the masses of consumers. It may be that his Siberian policy led straight to the fatal war. Immediately, however, he owed his fall to a man who was his very antithesis in everything—to Besobrasov, the courtier, the flatterer, the spy. He was the malicious marplot who devised the "Holy League" in Tsar Alexander III.'s time, and Tsar Nicholas had inaugurated his reign by dismissing him from office. Steadily, insidiously, he worked his way back to Imperial favour, applied himself to ferreting out the secrets of the Ministers. He specially interested himself in the affairs of the Ministry for Finance, and constituted himself an active enemy of Witte.

Witte, from the nature of his portfolio and the character of the man, was not an ingenuous being. He was capable of much intrigue, and in his universal contempt of his contemporaries laid himself open to much misconstruction. He was loyal to the Empire, and devoted to the dynasty, but his policy was his own, and in no sense dictated by the convenience of

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the Grand Dukes or of his Ministerial colleagues. In that lay Besobrasov's opportunity, and he seized it.

Witte long ago realized that in a landlocked empire such as Russia the railway locomotive must take the place of the ship as pioneer of national development. What Great Britain and Germany had gained by steamship lines, Russia must attain by railroads. To that end he worked, builded steel roads across Siberia to the Pacific Ocean and the utmost limit of the Liao Tung Peninsula, brought Cronstadt to Port Arthur. With far greater foresight he reticulated China with railways that bore the names of Belgian, French, and even American concerns, but which were all controlled from St. Petersburg. He laid down lines of communication with the Persian and Afghan frontiers more speedily available than any system of naval coaling stations ever devised. He demonstrated that a continent can be made as accessible a highway as any ocean, and he showed that Russia's real navy rests not on the sea, but on many parallel lines of steel rails laid down with scientific accuracy and strategic intent.

Besobrasov had no objection to railways, but he

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differed from Witte in his conception of the manner in which they should be run and the objects for which they should be maintained. It was not difficult to find opportunities for censure in Witte's administration of the railways in the East. Besobrasov found the objections, and presented them in a series of memoranda to the throne. To these the accused Minister made reply in another series of memoranda.

Besobrasov's pet scheme was the formation of an Imperial Lieutenancy in the Far East, "released from the jurisdiction of the Ministries." To that end he approached the Tsar. Witte opposed him. On August 13, 1903, an Imperial Ukase was issued creating a special Lieutenancy of the territories of the Amur and Kuantun. It knelled Witte's doom. He became President of the Council of Ministers—a Premier without a portfolio. Besobrasov was made a Secretary of State, and Admiral Alexiev was appointed Viceroy in the Extreme Orient.

It meant the end of a policy, the degradation of a great statesman, the elevation of a sinister influence to the counsel of the Tsar. It meant the near prospect of a war with Japan, perhaps also with

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Great Britain. It might mean the world-war. It was the explanation of much that had interested me in Russia—the gathering together of the diplomats in St. Petersburg, the sleepless nights of Count Lamsdorff at the Foreign Office, the hurried despatch of emissaries to foreign Courts, the sullen attitude of M. Witte at his last reception.

Matters were very grave in those rainy days of August, 1903. A month before, on July 28, Japan had asked Russia to enter into an international compact with her to respect the sovereignty and territorial integrity of China in Manchuria. Russia returned a diplomatic answer. It was the object of the Government to gain time till the trans-Siberian road was completed, furnished with sidings, defended with fortified posts throughout its vulnerable length. Men were needed in Manchuria, but without a railway in condition to furnish them with supplies they could not be put there. Guns were needed in Port Arthur and in Liao Yang, the strategic point governing the trade route from Korea to Peking. Docks were needed at Dalny. A thousand and one things essential to a country properly equipped for battle were lacking. Ito knew those things. Witte

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knew those things. Besobrasov dared to flout them.

Japan chose to regard the appointment of a Viceroy in the Orient as a defiance, as an intimation to the world that Russia would hold Manchuria in perpetuity. She entered vigorous protest, and all the resources of Russia's diplomacy were taxed to the uttermost to stay the conflict.

Meanwhile Witte sat alone and impotent, foretelling doom.

On the afternoon of January 23, 1905—the day following Father Gapon's Bloody Sunday in St. Petersburg—I sat in the Paris drawing-room of the greatest of French financiers. The Russian telegraph service was disorganized, and authentic news came through with irritating interruptions even to this centre of the intimate life of the Bourse. My host had been the leading advocate of the policy which staked France's millions upon Russia's credit, and the talk was all of the situation and the effect it would have on Russian bonds. One speaker, formerly a member of the French Embassy in St. Petersburg, said, "There is need of a new man in Russia, a man who will control the situation. There is only one such

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man—and he is Witte. Witte must come back to power.”

The following Friday I was in St. Petersburg, to find the position less critical than we had been led to suppose even within an hour's run of the capital. To learn the truth of the situation it was necessary to make many inquiries at first hand, both among the revolutionaries and the officials. On February 6 I received an intimation that M. Witte, *Président du Comité des Ministres*, would receive me that day at his private house. My interview was a personal one, wholly unconnected with journalism, but the years that have intervened relieve me of the necessity to preserve silence concerning much that his Excellency said. In the fortnight that had elapsed my Parisian host had died, and the financial policy of France was as much a matter of moment to Russian statesmen as was the stability of Russia to French bondholders.

I had last seen Witte as Minister for Finance, the active director of Russian policy throughout its myriad ramifications. That day of February, 1905, he was Prime Minister, but without a portfolio. He was president of the committee appointed by the

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Tsar to draft reforms in the administration of the Government, but without the personal influence to give force to his recommendations. He was the leader of the Party of Peace, but still lacked the argument against continued resistance which the battle of Mukden was to afford him. He was paralyzed by personal unpopularity in the executive circles of autocracy.

Through the snow-paved streets of St. Petersburg, across the ice-bound Neva, I drove in my sleigh to the great white house on the Kammeno-ostrovsky, where Witte had made his home. This time there was no brilliant company of waiting courtiers. The house was silent as a mausoleum. A solitary man in livery ushered me directly into a large, well-lighted room, in the middle of which, at a writing-table, sat this most interesting personality. He looked fresher and younger and infinitely more virile than he had done eighteen months before. The blue-grey tint had passed from his face to be replaced by a healthy red. Tightly buttoned up in a little blue serge jacket, he rose to his grenadier height to receive me.

The silences of Witte are always disconcerting.

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He gives no hint of his mood or of the estimate of his visitor. He sits and mutely surveys, toying the while with a cigarette, until a case is put before him. Then he replies in a monosyllable, and, once more dumb, waits for the next interrogatory. Unlike the better-class Russians, Witte speaks poor French, and greatly prefers to converse in German or in his native tongue. He radiates the atmosphere of an iceberg.

At the time of my reception, six months before his meeting with Baron Komura at Portsmouth, he unhesitatingly pronounced for peace. "If we make peace now," he said, "we may escape with a White Revolution. If we procrastinate, Russia must face a Red Revolution." Those were strong words in February, 1905, before the opening of the battle of Mukden, but Witte knew that the events of January 22 were but the pointing of an abscess which had eaten right through Russian society. His advice was to make peace with the adversary quickly, lest worse should befall the Empire. He alone was prepared to take upon himself the odium of proposing peace, and he did so with no uncertain voice.

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At the time there was a proposition widely discussed in St. Petersburg that public attention should be distracted from a disgraceful close to the war with Japan by means of some hostile movement against Great Britain. Witte scouted the suggestion. "We have had enough of war. Let us concern ourselves with the development of the country, and with the assurance of internal peace."

I asked if he dared to bring back to the villages of Russia the troops disappointed of their victory in Manchuria. He shrugged his wide, lean shoulders. "The danger does not lie with the soldiers. It lies in the towns, chiefly in the manufacturing centres."

A month later, on March 3, Petersburg was startled by the publication of an Imperial rescript foreshadowing the formation of a Legislative Assembly, giving the first faint promise of a Constitution. By virtue of this rescript, the Tsar sought to placate the people, to postpone the Empire-wide strike threatened for the following day—the Day of Liberation. Witte had become indispensable to his Imperial master.

Of Witte's work at the Portsmouth Conference, of his skilful manipulation of every instrument capable

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of furthering his ends, it is not necessary to speak here. Months later one of the Japanese envoys said to me sorrowfully, regretfully, "Russia understood the management of the Press. Japan did not. We lost much through antagonizing the American newspapers. Witte gained everything." Witte the Unapproachable grown Witte the Urbane!

On his return to Russia, Witte ruined himself by accepting the title of Count. His success had never lain in the walks of the nobility. As plain Serge Witte he could extort the respect if not the affection of society. As Count Witte, with his wife as Countess, he invited its ridicule and its derision. His manipulation of the forces of the Duma earned him the distrust of the Liberals. To-day St. Petersburg detests him—Reactionary, Revolutionary, and Liberal—all parties unite in dreading him as a possible Dictator.

Russia wants him no longer. The fall of Count Witte is infinitely more complete than ever was the degradation of Serge Witte, Minister for Finance. It is not the favour of an Emperor, but the confidence of a people he has lost.

Meanwhile, his plan to rule Franco-Russian steel

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lines across China from Tonquin to Vladivostock, from Irkutsk to Port Arthur, and from Peking to Chinese Turkestan has only been modified, not abandoned. Russia's strategic position in China has been less materially altered by the events of the war than home-keeping publicists imagine.

CHAPTER XXIII

THE SPIRIT OF NATIONALIZATION

THERE is a new spirit of nationalization abroad throughout the East which explains all that has been written concerning the movement of affairs in those regions. In Egypt the Egyptians, in Persia the Persians, in Siam the Siamese, in China the Chinese, and in Japan the Japanese—all believe themselves capable of successfully managing their own affairs without direction from Western nations. They have entered into competition with the West in fields of enterprise which hitherto have been considered exclusively the property of the white man. Their preliminary success has justified them of their aspiration.

To realize the significance of recent developments it is necessary to remember that the two great nations—the Chinese and the Japanese—were at no period of our intercourse with them savage nations. They

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were always civilized nations, but their civilization was not ours. They possessed a literature, an art, a philosophy, and a religion that were older and more highly developed than our own. Some months ago I was strolling through the ancient palace of the Kings of Poland near Warsaw. Several rooms were devoted to a collection of Chinese and Japanese art, brought from the East by some adventurous Crown Prince in the days before Marie Antoinette bowed her head beneath the guillotine. I was struck by the delicate imagery of design, the refinement of colour, the gracefulness of outline of those Oriental treasures in comparison with the Byzantine barbarity of the contemporary Russian decoration and the voluptuous sensuality of the like period in the art of the cultured nations of Western Europe. The peoples who delighted in those cunningly fashioned screens and cabinets, those rich-toned paintings of birds and butterflies and simple flowers, those delicate trceries in porcelain assuredly were not barbaric.

I have wandered through the Imperial treasure-house at Mukden fingering rare draperies, handling beautifully worked specimens of old-time jewellery, poising priceless pieces of airy eggshell china on my

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palm, and I have asked what of civilization the men could bring to the Orient whose guns I heard faintly booming in the distance. It was not until I remembered that one of the combatants was Oriental, was a nation which had taken its artists from the brass shop and the potter's wheel, from the studio of the painter on silk and the work-place of the fashioner in cloisonné, that I realized the change that has come over the spirit of the East. For centuries the West has sent missionaries to the East, and their preaching has availed nothing to alter the philosophy of a conservative people. The awakening had to come from within, could not be induced from without. In our egotism we called them uncivilized, ignorant, bigoted. We did not know that they were merely weighing the compensating advantages of change.

In a temple garden, a day's ride from Peking, I found a priest contemplative beneath a blossoming magnolia tree that seemed a candelabrum sanctified to the worship of the Most High. For thirty years he had not ventured beyond the precincts of his monastery. Until the other day he had scorned to soil his fingers with the affairs of the world. The low drumming of a gong in his prayer-house, the scent of

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incense, and the deep-throated chanting of the Buddhist mystic phrase—Om Mani Padme Hum, Om Mani Padme Hum—had lulled his mind away from the strife of contending factions, from the thought of nations wrestling in commerce to appease their greed, from the memory that men spilled blood to wrest from their fellows ground which was not theirs. Out to his peaceful cloisters, through the great-limbed pai-lo that spans the entrance, into the sacred silence of the innermost courtyard came news of a stirring in China. The priest grew interested, listened to the talk of travellers, eventually subscribed to a newspaper. At my visit he produced a pile of those journals, sought enlightenment on much that so recently had entered his philosophy. Shrewdly he questioned me upon conditions in Europe and America, upon the objects of antagonistic Governments, upon the power of armies and navies, upon the personality of the men whose names he knew—Roosevelt, the Tsar, the Emperor of Germany, and the King of England. His curiosity was unappeasable, disconcerting in its rapid transitions from childish wonder at a railway train to the adult comprehension of an abstruse problem of European

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politics. The priest was ignorant, but he was inexpressibly intelligent.

The intelligence of the peoples of the East impresses itself at every turn of a street corner. Each dawn the bankers of Peking rumble out of the city in their blue-hooded carts to a place apart where in consultation the day's rate of exchange is agreed upon. No sooner is this done than each money-broker paints upon a leaf of flimsy paper the hieroglyphics which denote the price of silver. The little cylinder is inserted into a goose-quill, attached to the leg of a carrier-pigeon, and, with a whirr of wings the messenger departs to bring a minute later to the waiting clerks the news which lets the business of the day begin. As it is to-day, so has it been for centuries, but no clearing-house of Europe or America has calculated the differences of exchange, the bearing of events, the conditions of supply and demand so accurately as that little company of bankers beneath the grim, grey wall of Peking.

One has but to pause for a moment to consider the functions exercised by a house-boy to acknowledge the superiority of his intelligence to that of any house-steward or family butler in Europe. Does

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one desire servants, he procures them, and personally guarantees their honesty—a guarantee backed by substantial monetary security. Does one require a new horse, he buys it and is answerable for its soundness with its price. Does one seek a house, he rents it, furnishes it, and stocks it. Does one seek to own land, he negotiates for it, purchases it, and testifies to the validity of the title-deeds. He will arrange a marriage festival or a funeral ceremonial, will supply a Christmas dinner or expound the intricacies of palace politics. No man may know what Dr. Morrison owes to his house-boy. Sir Robert Hart has had the same boy for forty-eight years—the only authority to whom he yields obedience. As the dreaded Inspector-General pathetically remarked to me: “The boy has to put up with peculiarities in me. I must put up with peculiarities in him. There is much in the spirit of compromise.”

It is relevant to remark that the best of those boys receive 30s. a month in wages, that they are immaculately dressed, that they own large properties and rear large families, that they are men of substance. Of such are the mysteries of the East.

A nation which can produce domestic servants of

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such intelligence is capable of any feat of organization—so soon as the day dawns when it casts off the inertia of conservatism to become an active agent in the machinations of the Powers. That daybreak is at hand, and the Western world has to reckon with a Power that long ago mastered our theories of government, but until now hesitated to put them into operation.

Each after its own manner, the nations of the East have embarked upon a system of nationalization. Egypt has prospered mightily under British direction, but its people feel no gratitude to the Westerner. They demand their country for themselves, and grow increasingly restive under the irritation of foreign control. Persia has assumed to itself a constitution, and has used it first to expel from its Customs service the Belgian officers who efficiently administered it. Siam has sought its nationalization in conserving for the Siamese the exploitation of its rich resources. China has renounced its old civilization, has set about the reconstitution of its nation with an energy that baffles the speed of the telegraph to report. Japan, alone of the nations of the East has carried its nationalization beyond the

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confines of its own territory, has entered into active competition with the Powers of the West, has demanded and obtained recognition as a first-class Power, has arrogated to itself new provinces, and is persistently hustling from the markets of the Orient the European and American rivals who advanced the money to make its inroads possible. China remains a Passive Resister. Japan is become a hostile antagonist in trade. Those matters give material for dread of the evils of to-morrow in the East.

China's attitude of passive resistance in its effect upon foreign trade is little distinguishable from active opposition. On February 22, 1906, the Chinese Governor declined to discuss the matter of obstruction to the construction of the Soochow-Hangchow-Ningpo Railway with the British concession-holders on the ground that he had authority by Imperial edict to cancel the concession and to proceed with the construction of the line without reference to it. Simultaneously the Chekiang gentry proceeded to raise money—principally in Japan—and to engage a Japanese engineer to carry out the work themselves.

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In May of 1906 the Chinese published a scheme to construct a railway from Canton to Whampoa, designed to deflect traffic from the line held by British concessionaires from Kowloon to Canton, and directly aimed at the trade of the British port of Hong Kong.

For the Chinese action in both instances the concession-holders—the British and Chinese Corporation—are in great part responsible. For years they have neglected to exercise their franchise, and the danger threatening British interests is directly attributable to them.

The Chinese attitude towards the foreign holders of mining concessions is similar to that they are exhibiting towards the constructors of railways. Both in Shansi and in Anhwei organized obstruction has been presented to British mining enterprises possessed of proper Imperial powers. As elsewhere, the Chinese opposition is not without both moral and legal justification.

On May 21, 1898, a contract was signed at Peking between the representative of the Peking Syndicate and the Shansi Bureau of Trade, and duly ratified by the Tsung-li Yamen, under the authority of

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Imperial edict, whereby the syndicate acquired the sole right for sixty years to open and work coal and iron mines and petroleum deposits throughout certain specified districts and prefectures in the province of Shansi, covering an area approximately of 20,000 square miles. A similar contract was signed at Peking on June 21, 1898, covering that part of the province of Honan which lies to the north of the Yellow River.

The potential value of these concessions cannot be calculated. Unfortunately the contracts, while granting "sole right" to mine, did not give authority to select and acquire land. Before the syndicate could sink a shaft it had to negotiate by private purchase for the ground upon which to erect its works. From the beginning it experienced the difficulty met by all foreigners in overcoming the prejudices of the local landowners. Eventually ground was purchased at Chiao-tso, expensive works were erected, and shafts sunk to the depth of 534 feet. On November 19, 1905, the presence of coal was proved at the depth of 592 feet. Immediately after, and during my presence on the fields, a series of accidents occurred which led to the temporary

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abandonment of the shaft. Since then the seam has been found to be unworkable owing to the presence of water and the existence of the coal in a friable condition, which does not permit it to "weather." In the nine years of its existence the syndicate has not produced one ton of coal from its own workings, and the local Chinese confidently assert it never will.

Meanwhile the national spirit has penetrated to Shansi and Honan. The Chinese have urged their moral right to oppose operations on the part of those who have not shown a "genuine purpose to work the mines" in their neighbourhood, and have urged their legal right to refuse to sell private lands to the concession-holders for further experiment. As a consequence, the local gentry have petitioned the Throne to cancel the concession.

For the attitude of the Chinese there is much to be said in justification. The Europeans have at all times averred that the exploitation of industrial enterprises entrusted to the Chinese has been for the benefit of interested officials. The Chinese now maintain that the exploitation of industrial enterprises entrusted to Europeans is for the benefit of speculators on the European Bourses, that the

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development of the country has not been assisted by the great majority of the concessions granted, and that the national genius is quite capable of turning to account the national resources. There is truth in both contentions.

More serious, as affecting a wider and a less privileged class of trader, is the assertion that "foreign goods, once they pass into Chinese hands, are liable, even within the treaty port outside the foreign concessions, to whatever excise or other taxes the native authorities may choose to levy." Fifty years ago Lord Elgin stipulated, in the Treaty of Tientsin, that foreign imports should be allowed free passage throughout the Empire after paying 5 per cent. import and $2\frac{1}{2}$ per cent. transit duty— $7\frac{1}{2}$ per cent. in all.

By the reiteration, in 1905, of the theory that foreign goods, once they pass into Chinese hands, are liable to additional taxation, the import duty becomes a mere landing charge, and deprives the treaty port of its special character as one "opened for the benefit of trade." Carried to a logical conclusion, it means the expulsion of everything foreign from the Empire. The desire for this expulsion is

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the outcome of the widespread belief that "foreigners have taken advantage of China's inexperience to obtain undue facilities for enriching themselves, and now all treaties, agreements, understandings, and precedents must be construed against the foreigner with the utmost strictness."

To the impartial observer there are not lacking grounds for the Chinese belief. As Sir Robert Hart expressed it to me: "The Chinese believe that they have been unfairly exploited by the foreign Powers, have been cheated, and they will deal with them as they have been dealt by. In any event, they will for the future grant no more concessions. They will retain their power in their own hands."



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